



U.S. Department of State

FY 2000 Country Commercial Guide: Belgium

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I. EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) presents a comprehensive look at Belgium's commercial environment, using economic, political and market analysis. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at American Embassies through the combined efforts of several U.S. government agencies.

Belgium is a federal state composed of a central government, three regional governments (Flanders, Wallonia and Brussels Region) and three language

communities (Dutch, French and German). There is no clear hierarchy among these policy levels and each has its own exclusive powers and areas of jurisdiction. The federal government is responsible for foreign affairs, national security, defense, taxes, and issues relating the European economic and monetary union while the regions manage a wide variety of socio-economic matters. Under the evolving federal system, the responsibility for areas of interest to American business such as foreign trade, environment and investment regimes and incentives will increasingly become the responsibility of the regional governments.

The Belgian economy has great depth and diversity. A highly developed market economy, it is heavily reliant on international trade. The country's Gross Domestic Product (GDP) is dominated by a very large service sector (70 percent of GDP), followed by manufacturing (25 percent) and agriculture (2 percent). Exports account for more than 70 percent of Belgium's GDP, making it one of the highest per capita exporters in the world. In addition to its own exports, Belgium functions as a transit and distribution center for many other countries to the rest of the European market. Consequently, almost 75 percent of Belgium's trade is with other European Union countries. This highlights the country's importance as a commercial axis in Western Europe. In addition, Belgium and the United States have enjoyed strong reciprocal trade relations over the years; Belgium ranks as the 9th largest trading partner of the United States. It is estimated that Belgium imported \$11.2 billion from the United States in 1998, about half of which was re-exported to other markets.

Belgium has a number of factors that contribute to its attractiveness for trade and investment. Its capital, Brussels, is an urbane city and home to the headquarters of the European Union and NATO, as well as hundreds of international institutions, associations and multinational corporations. Antwerp is the second-largest port in Europe and Belgium's second-largest city. An outstanding network of roads, rails and inland waterways enable goods shipped into Antwerp to be moved quickly and cheaply to European manufacturing and distributions centers. Geographically, Belgium is within a 600-kilometer radius of 70 percent of the EU market. Equally important, Belgium has strong competitive advantages such as an excellent transportation infrastructure, high-quality industrial sites, and a skilled and productive workforce.

Belgium is home to over 1,200 U.S. companies that play an active and important role in the economy. Traditionally, Belgium has maintained an excellent investment climate including a number of recently implemented tax incentive packages. However, a recent foreign investment study commissioned by the American Chamber of Commerce (AmCham) in Belgium indicates a growing concern that a number of factors are eroding Belgium's attractiveness for new investment. In response to this study, the AmCham has drawn up a "Foreign Investor's Agenda". The key issues include high labor costs and social contributions, inflexible labor regulations, high taxation levels, costly work hiring practices and a perceived lack of consistency in the government's tax policies. Problems encountered by specific sectors, such as telecommunications and pharmaceuticals, are discussed in Chapter VII: Investment Climate in this CCG.

As a member of the European Union (EU), Belgium must comply with all EU directives. Belgium is also one of the 11 European countries that introduced the euro as its currency in 1999. While the exchange rate of the Belgian franc into the euro is now permanently fixed, the Euro currency will not

begin circulating before January 1, 2002. For more information regarding the European Union, its directives, and the European Monetary Union, please reference the CCG for the European Union.

With regard to the import/export figures reported in this Country Commercial Guide, please note that EU export statistics are no longer collected by customs officials at the border, but by the companies themselves on a voluntary basis. There is no penalty if they fail to report correct figures and therefore, this can lead to inexplicable differences in trade statistics between countries.

The Commercial Service in the U.S. Embassy in Brussels is part of a European-wide initiative called Showcase Europe (SCE). Showcase Europe is a collective effort of all the Commercial Service offices throughout Europe to assist U.S. companies in the European market. It includes coordinated programs for market research, trade shows, advocacy, etc. Additional information on Showcase Europe (SCE) can be accessed through the Internet at www.sce.doc.gov.

The Commercial Service offers many services to assist U.S. companies in Belgium. Whether it is finding an agent/distributor, researching market information, or providing advocacy support, the Commercial Service can help you. For complete details of services offered to American companies, visit the Commercial Service website at www.us-embassy.be or contact your local Export Assistance Center at www.ita.doc.gov.

Country Commercial Guides (CCGs) are available for U.S. exporters from the National Trade Data Bank's CD-ROM or via the Internet. Please contact STAT-USA at 1-800-STAT-USA for more information. CCG can be accessed via the World Wide Web at <http://www.stat-usa.gov>; <http://www.state.gov/>; and <http://www.mac.doc.gov>. They can also be ordered in hard copy or on diskette from the National Technical Information Service (NTIS) at 1-800-553-NTIS. U.S. exporters seeking general export information/assistance and country-specific commercial information should contact the U.S. Department of Commerce, Trade Information Center by phone at 1-800-USA-TRADE or by fax at (202) 482-4434.

II. ECONOMIC TRENDS AND OUTLOOK

Major Trends and Outlook

Belgium possesses a highly developed market economy, the tenth largest among the OECD industrialized democracies. The service sector generates more than 70 percent of GDP, industry 25 percent and agriculture two percent. Belgium ranked as the eleventh-largest trading country in the world in 1998, with exports and imports each equivalent to about 70 percent of GDP. Three-quarters of Belgium's trade is with other European Union (EU) members. Five percent is with the United States. Belgium imports many basic or intermediate goods, adds value, and then exports final products. The country derives trade advantages from its central geographic location and a highly skilled, multilingual and industrious workforce. Over the past 30 years, Belgium has enjoyed the second-highest average annual growth in productivity among OECD countries (after Japan).

Throughout the late 1970s and the 1980s, Belgium ran chronic budget deficits, leading to a rapid accumulation of public sector debt. By 1994, debt was equal to 137 percent of GDP. Because of the high Belgian savings rate,

Belgium has largely financed its budget deficits from domestic savings. Foreign debt represents less than 10 percent of the total and Belgium is a net creditor on its external account.

Belgium's macroeconomic policy since 1992 has aimed at reducing the deficit below 3.0 percent of GDP and reversing the growth of the debt/GDP ratio in order to meet the criteria for participation in Economic and Monetary Union (EMU) set out in the EU's Maastricht Treaty. On May 1, 1998, Belgium became a first-tier member of the European Monetary Union. The country narrowly achieved its status as an EMU member, since its cumulative debt of 122 percent of GDP was more than twice the maximum of 60 percent set forth in the Maastricht criteria established in 1992. However, since Belgium has made consistent progress towards the 60 percent target, and it continues to post an impressive primary surplus (net government revenue minus interest on the debt) of 6 percent of GDP, no additional macroeconomic requirements were imposed by the other Euro Zone members. The government's 1999 budget, presented in October 1998, projects a 1.2 percent deficit and a reduction in the debt/GDP ratio to 115 percent.

Economic growth in 1998 was about 2.9 percent. A comparable rate was expected in 1999 until an incident involving dioxin-contaminated animal feed seriously disrupted production and exports of a wide range of agricultural and food products. Since then, real economic growth is projected at around 2.5 percent of GDP. At 1.2 percent, inflation seems to be under firm control, and no inflationary pressures are apparent, since weak commodity prices keep imported inflation low. Belgium's current account surplus of 4.8 percent of GDP is one of the highest among OECD countries.

Belgium's unemployment situation improved slowly in 1997-98. Standardized EU data put Belgium's unemployment rate at 8.5 percent in June 1999, 1 percent below the EU's average. However, strong regional differences in unemployment rates persist, with rates in Wallonia and Brussels being two to three times higher than in Flanders. A further reduction in unemployment will probably be difficult to achieve since many businesses have sought to neutralize high labor costs through capital-intensive investments and hence increased productivity. Although wage growth has been very modest since 1994, wage levels and social contribution costs remain among the highest in Europe.

In 1993, Belgium completed its process of regionalization and became a federal state consisting of three regions: Brussels, Flanders and Wallonia. Each region was given substantial economic powers, including trade promotion, investment, industrial development, research and environmental regulation.

Principal Growth Sectors

Sectoral growth in the Belgian economy reflects macroeconomic trends. Industry sectors that are oriented towards foreign markets, in particular those in the semi-finished goods sector such as iron and steel, non-ferrous metals and chemicals are very sensitive to foreign business cycle developments. Industrial production rose by 3.1 percent in 1998, compared to 4 percent in 1997. The capital goods sector is benefiting from strong investment demand in Belgium. Stronger demand in the consumer product sector has helped the textiles, wood and food sectors. Apart from developments specific to the business cycle, there are also divergent developments affecting other sectors. For example, the paper and cardboard sector continue to be hit by the ongoing trend towards the use of less packaging.

Government Role in the Economy

On May 1, 1998, Belgium became a first-tier member of the European Monetary Union. Belgium will gradually shift from the use of the BF to the use of the euro as its currency by January 1, 2002. On January 1, 1999, the definitive exchange rate between the Euro and the BF was established at BF 40.3399.

Since 1993, the Belgian government has privatized BF 280 billion worth of public sector entities. Further privatization of the last two enterprises with a strong public sector stake, Sabena and Belgacom, will likely occur under the new coalition government. The federal government raised approximately BF 45 billion in 1998, compared to the BF 35 billion in 1997, as a result of these privatizations.

Balance of Payments Situation

Belgium's current account surplus widened in 1998: at 4.8 percent of GDP, it was well above the EU average of 1.5 percent of GDP, and the sixth largest in the OECD area. The increase in the surplus largely reflected a stronger trade balance: exports picked up in response to more buoyant economic conditions in EU countries, and to a significant improvement in cost-price competitiveness. The impact of the East Asian crisis was limited, given that Belgium's exports to these countries - including Japan - represent only 5 percent of total exports. In 1998, largely as a result of a decline in energy prices, the terms of trade improved somewhat. As a consequence, the growing impact of the crisis in emerging market economies did not greatly affect the volume of Belgium's exports or the trade surplus.

Infrastructure Situation

Belgium has an excellent transportation network of ports, railroads and highways, including Europe's second-largest port, Antwerp. Major U.S. cargo carriers have created at Brussels-Zaventem airport one of the first European hub-and-spoke operations.

The Belgian government set up a task force to sensitize the public and private sectors to vulnerabilities of computers and electronic systems to year 2000 disruptions.

III. POLITICAL ENVIRONMENT

Nature of Political Relationship with the United States

U.S.-Belgian bilateral relations are excellent. Active in international diplomacy in Europe, Africa and elsewhere, Belgium is a close ally and works with the United States on many international issues. Successive Belgian governments have been committed to the development of a strong European Union with common foreign, security and economic policies. These governments have also been proponents of strong transatlantic ties through NATO (North Atlantic Treaty Organization) and other institutions.

Belgium is home to the European Union (EU), NATO, Western European Union (WEU) and over 100 other international organizations. Belgium is a substantial aid donor, contributing bilaterally and multilaterally to humanitarian aid and development programs. In addition, Belgium is a

provider of peacekeeping troops and has participated in various peacekeeping operations, including in Somalia, Rwanda and the former Yugoslavia. As a member of the IMF Executive Board, the G-10, and other organizations, Belgium wields significant influence in world affairs.

Major Political Issues Affecting Business Climate

Belgium has been a longstanding supporter on increased European political and economic integration. The lowering of barriers to movement of goods, services, capital, and labor within Europe that Belgium had consistently advocated had and will benefit European and foreign businesses alike.

Brief Synopsis of Political System

Belgium has been a constitutional monarchy since 1830. Albert II was invested as King in August 1993, after the death of his brother Baudouin. The King, Prime Minister and Cabinet constitute the executive branch of the federal government, with its 71-member Senate and 150-member Chamber of Deputies constituting the legislative branch.

The Government must retain the support of a majority in the Chamber of Deputies to remain in power. Federal parliamentary elections are held every four years or earlier if the government loses the support of a majority in the Chamber and no alternative coalition can be formed. There is universal suffrage, with compulsory voting and proportional representation.

On July 12, following the June 13, 1999 national and regional elections, a new "Right-Left" coalition government was formed. It consists of the Flemish and Francophone Liberal parties, the Socialists, and the Greens. The Prime Minister is Guy Verhofstadt, of the Flemish Liberal Party (VLD).

The most significant, long-term factor in Belgian politics in recent years has been the gradual devolution of powers from the central authority to the regions. In the new federal structure, approved in July 1993, sovereignty is shared by the federal government, regions and the language communities. There is no hierarchy between these policy levels. Each has its own exclusive powers and is not allowed to interfere in matters under the jurisdiction of the others.

The regions are Flanders (northern, Dutch-speaking part of Belgium), Wallonia (southern, French-speaking area), and Brussels (the capital region, limited to 19 bilingual communes). There is also a small German-speaking region in the eastern part of the country. Each region is responsible for a wide range of socio-economic matters within its own territory. Elected regional assemblies for Flanders, Wallonia and Brussels exercise legislative powers within their own regions and elect executive authorities. Under the evolving federal system, the responsibility for areas of interest to U.S. business such as foreign trade, environment and investment regimes and incentives will increasingly become the responsibility of the regional governments. This devolution means that Americans wishing to do business in Belgium have considerably more contact with regional officials than in the past.

IV. MARKETING U.S. PRODUCTS AND SERVICES

Distribution and Sales Channels

Belgium has an excellent network of distributors who are often regarded by the French and Germans as a neutral source of goods. In addition, Belgium adheres to EU laws and directives, and Belgian business continues to benefit significantly from a single European market in the 1990s. However, the openness of the Belgian market should not mislead American companies into thinking that doing business in Belgium is the same as in the United States. The cultural, linguistic and economic differences found among various regions of Belgium strongly influence their styles of conducting business. A good distributor must be able to operate within all these environments.

Belgian distributors tend to be small and specialized. They do not have ready access to inexpensive capital and are somewhat conservative when it comes to risk taking. Consequently, potential Belgian representatives will look to their suppliers for lenient credit terms. (See Section VIII Trade and Project Financing).

Belgium has also established legal protection for distributors (as defined below) against sudden or unjustifiable termination of their distribution agreement. This includes measures ensuring the right to receive reasonable notice of termination and compensation for loss of income. In addition, the EU (European Union) has passed similar legislation protecting agents (as defined below). American companies should consider consulting a legal expert before drawing up a representation agreement in Belgium.

The Belgian industry sectors most oriented towards foreign markets were affected by a slowdown in French and German production in 1996. These sectors include semi-finished goods, such as iron, steel, non-ferrous metals, and chemicals. However, figures show that industrial output began growing again in 1997, this trend continued throughout 1998, and is expected to continue through 1999.

The capital goods sector has benefited from strong investment demand in Belgium. Despite this, demand in the consumer products sector is weak, although the favorable economic trend in 1998 signals a strong potential for improvement. In 1996, the services sector grew 2.0 percent. Sectors such as accounting, fiscal expertise, advertising and maintenance are doing particularly well. Conversely, sectors largely dependent on household consumption, such as retail, healthcare, and the catering industry, still suffer from the sluggish growth of consumer demand.

Use of Agents and Distributors: Finding a Partner

Several thousand U.S. companies are selling on the Belgian market through distributors and agents. The new-to-market U.S. company will find a large number of well-established representatives in virtually every industry sector in Belgium. On many occasions, their territory is larger than just Belgium; often it includes the Benelux (Belgium, Netherlands, and Luxembourg) and one or more neighboring European countries. European purchasers often perceive Belgian agents and distributors as being neutral sellers. This places them at a distinct advantage vis-a-vis their German or French counterparts. However, many well-established distributors in certain sectors are reluctant to take on new product lines due to various business constraints, notably the lack of access to quick and affordable financing and high social costs for additional employees.

Considering the host of distribution options available in Belgium, it is important for the would-be exporter to select the method best suited to his

or her product. Belgian buyers generally prefer to purchase through an intermediary; making sales directly to the end-user a scarce practice. However, sales of expensive, technically sophisticated goods are an exception to this rule.

Intermediaries may take one of three primary forms under Belgian law: Distributor, Agent or Salaried Representative.

Distributor

The Law of July 27, 1961 defines the parameters of a distributorship agreement as any agreement under which the supplier reserves to its distributor(s) the right to sell, in their own name and for their own account, products manufactured or distributed by the supplier. The distributor (concessionaire) operates independently and is only bound by the written provisions of the distribution agreement. Several types of agreements exist, one is exclusive distributorship. Other agreements include those whereby the distributor is responsible for selling nearly all products specified by the supplier; and other agreements that place significant responsibilities on the distributor to the extent, in the case of termination, the distributor would be likely to incur substantial losses. However, these agreements are subject to specific rules and regulations regarding exclusive distribution and price-fixing.

The conditions of contract termination are an important concern, and vary with the type of distribution agreement. Either party, without prior notification or indemnification may terminate a distribution agreement of specified duration at the end of the contract period. If the termination takes place before the end of the contract period, the terminating party may be sued for breach of contract.

A distribution agreement with an unspecified duration may be terminated by either party without indemnification, after a fair notice period, usually six months. The termination of such a contract by the producer without fair notice may be grounds for damage claims by the distributor. In addition, the Law of 1961 provides an additional fair indemnity to be paid by the supplier to the distributor. This additional indemnity applies in cases where: 1) the distributor's activities result in a substantial increase in customers (provided they remain with the supplier after termination), 2) the distributor's investment costs will benefit the supplier after termination, and 3) the distributor pays severance indemnities to its personnel laid off at the time of the contract's termination.

Agent

This category covers commercial agents, as well as those persons acting as agents but not fulfilling the requisites for commercial agent status. As opposed to distributors, agents do not actually purchase goods for resale. Instead, they match up buyers and sellers on a commission basis. In 1995, new legislation concerning commercial agency agreements was enacted in support of the 1986 EEC (European Economic Community) Directive 86/653. This new legislation defines a commercial agency agreement as a contract where the principal assigns the commercial agent negotiation and possible signatory responsibilities. Thus the agent is able to act in the name and on behalf of the principal, on a permanent basis and in exchange for compensation. All agents exercise their activities in an independent manner, and their principals are exempt from payment of payroll taxes. Agents assume their own

fiscal charges (business license tax and value-added tax) and social charges (health insurance, social security and retirement/pension benefits). For a more detailed explanation of the European Union and its governing European Directives (laws) please reference Chapter II: Economic Trends and Outlook of the EU Commercial Guide.

Commercial Agent

Agents with a written contract have the status of commercial agents if they exercise their activity as a sustained independent profession and fulfill the following conditions: 1) do not have a written employment contract; 2) negotiate sales and purchases on behalf of producers, manufacturers or dealers; and 3) are registered with the Tribunal of Commerce as commercial agents. A commercial agent is independent and free to act on the behalf of any other firm. However, in the case where the agent wishes to represent the principal's competitors, consent of the principal must be secured.

The principal may justifiably terminate the commercial agent contract only if the agent shows substantial deficiency in carrying out his or her obligations. An agency agreement with an unspecified duration may be terminated by either party without indemnification, after a fair notice period. This period is one month during the first year of the agreement, two months during the second year and so on with a maximum of six months unless another agreement is reached between both parties. Otherwise, contract termination gives the agent a right to indemnification, often equal to two years' commission.

Other Agents

Persons who do not fulfill all the requirements for commercial agency, and who are not in a position of subordination to the company they represent, are considered agents. Authorization of an agent can be effected by notary act or private agreement. Either party may terminate the agency agreement at will, but the non-terminating party has a right to indemnification of losses.

Salaried Representatives

Unlike agents, salaried representatives have employment contracts. They and their employers share the burden of payroll taxes contributing to social security, unemployment compensation and retirement/pension plans.

Statutory Representatives

Whatever their qualifications or title, persons are considered statutory representatives if they exercise their activity as a sustained independent profession and fulfill the following conditions: engage in the activity of a sales representative for the account of one or more employers; desist from executing commercial operations on their own behalf; institute mutual commitments with employers regarding the nature of: the goods or services offered for sale, the region of activity or the category of clients, and the rate of compensation.

Non-statutory Salaried Representatives

Representatives who are subordinate to their employers and who do not fulfill the requisites for statutory representative status fall into a separate category and are considered regular employees.

Finding a Partner

The U.S. Department of Commerce's International Trade Administration offers several services to help the would-be exporter identify potential foreign representatives. The three primary services available from the Foreign Commercial Service in Belgium are the Gold Key Service, the Agent Distributor Service (ADS) and Industry Targeted Mailings. To request any one of these services, firms should contact the nearest U.S. Department of Commerce District Office.

Contacting and Evaluating Potential Representatives:

Once the American company has identified several potential representatives, it should contact them directly in writing. Just as the U.S. firm is seeking information on the Belgian representative, the representative is interested in corporate and product information on the U.S. firm. The U.S. firm should provide full information on its history, resources, personnel, the product line, previous export activity and all other pertinent information.

At the same time the firm is providing information on itself, it should also engage in a thorough investigation of the potential representative. Following is a list of important facts the firm should endeavor to find out: current status and history, including background on principal officers, personnel and other resources, sales territory covered, current sales volume, typical customer profiles, methods of introducing new products into the sales territory, names and nature of U.S. firms currently represented, trade and bank references, assessment of whether U.S. firm's special requirement can be met, and view of in-country market potential for the U.S. firm's products.

The U.S. firm should not hesitate to ask potential representatives or distributors detailed questions; exporters have the right to explore the qualifications of those who propose to represent them overseas.

Franchising

Although Belgium is a relatively small country of ten million inhabitants, it is an excellent test market for launching new products in Europe. Belgian characteristics are very close to European averages regarding private and public expenditure, GDP per capita, age distribution, and activity of its population. This has led American franchisers to explore the market in ever greater depth. For example, the Belgian franchising market for fast food is growing at an annual real growth rate of twelve percent.

There are no particular restrictions on opening franchise operations in Belgium. The European Union's Directive 4087/88 of November 30, 1988 provides the legal framework for the franchising business in the EU.

In March 1992, the Belgian Franchising Federation was established. The Federation is open to both domestic and foreign franchisers operating in the country. The European Franchise Federation has developed a European code of ethics for its members. It outlines a series of provisions on fair behavior, but does not have the effect of law. Its provisions include arbitration in the case of disputes. Furthermore, it can provide prospective franchisers with considerable information on the franchise market in Belgium. The address is:

Belgian Franchising Association
Boulevard de l'Humanité, 116/2
1070 Brussels, Belgium
Tel: 32/2/523.97.07
Fax: 32/2/523.35.10

Direct Marketing

Direct marketing is a steadily growing technique for selling directly to the consumer. Telephone calls at home, personalized letters and massive door to door letter-drops are all on the rise. There are signs, however, that consumer sensitivity is beginning to resist the onslaught. Belgium has several direct marketing organizations and is the home of the European Direct Marketing Association.

Federation of European Direct Selling Associations
14, avenue de Tervuren
1040 Brussels, Belgium
Tel: 32/2/779.42.68
Fax: 32/2/779.42.69

The following multi-range consumer mail order catalogs are also available in Belgium:

Trois Suisses
11, Chaussee de Lille
7501 Doornik
Tel: 32/2/760.58.58
Fax: 32/69/88.22.11

La Redoute
4, rue de Menin
7730 Estaimpuis
Tel: 32/56/85.15.11
Fax: 32/56/85.15.11

Neckerman
Luxembourgstraat, 20
9140 Temse
Tel: 32/3/710.88.11
Fax: 32/3/710.89.33

Joint Ventures/Licensing:

In addition to the Commercial Service, there are numerous banks, professional organizations, service companies, financial organizations, and prepared to advise and assist parties considering joint ventures and licensing in Belgium. The American Chamber of Commerce in Belgium, which has over 1000 members, can provide assistance and professional advice. The AmCham can provide practical advice and assistance to businesses of all sizes. Belgium has a very sophisticated business community with many highly qualified potential joint venture and licensing partners.

Steps to Establishing an Office

The American Chamber of Commerce, in conjunction with the U.S. Embassy, operates an outstanding service called the AMCHAM Investment Service.

Drawing upon experts from the financial, accounting, real estate, legal, and business world, the AIS can be used by American companies considering opening an operation in Belgium. Upon request, AIS members will answer questions regarding a variety of issues either in person or via letter/fax. U.S. companies considering an investment in Belgium, including opening a sales office or distribution center, should contact the AMCHAM, Sheila Chabeau, (Tel: 32/2/513-6770 or Fax: 32/2/513-3590) to request use of the AIS. In addition, the AmCham publishes a booklet entitled "Doing Business in Belgium", which provides guidance on a host of issues related to setting up an operation in Belgium.

Selling Factors/Techniques

In addition to being very competitive and sophisticated, the Belgian market is marked by the Dutch, French, and German language division and its related consumer characteristics. At the industrial level, where price/technical factors are usually paramount, this is not particularly significant; but at the consumer level, issues such as labeling and marketing strategies take on greater importance. In both cases, personal relationships between buyers and sellers can be influenced by the language factor, so it is important to carefully check claims by importers and distributors that they cover the whole Belgian market.

U.S. companies are advised to quote prices on a Cost Insurance Freight (CIF), based on the Belgian sea or airport basis. This is standard practice for most exporters since it facilitates comparisons with EU supplier prices, which need no further adjustment for import duties and are usually quoted on a delivered warehouse basis.

Advertising and Trade Promotion

The U.S. Commercial Service publishes a professional commercial magazine, entitled "Business Links", which is sent to over 8,000 subscribers throughout the Benelux. These subscribers include Belgian importers of U.S. products and services as well as American companies operating in Belgium. U.S. companies are welcome to advertise in the magazine. Rates are available from the U.S. Commercial Service at the Embassy or from the publisher, David Starr, Computerware, Avenue de la Fauconnerie 60, B-1170 Brussels, Belgium, Tel: 32/ 2/ 660-5468, Fax: 32/ 2/ 672-7749.

The American Chamber of Commerce, consisting of American companies operating in Belgium and Belgian firms with U.S. business interests, also publishes a magazine, which goes to its 1,000 members. The Chamber's magazine reaches a clientele that want interest American exporters. Rates are available from the American Chamber (Tel: 32/2/513-6770 Fax: 32/2/513-3590)

In addition, Belgium has a number of sophisticated newspapers and magazines published in Dutch or French. They are listed below, along with the one English language magazine published in Belgium, The Bulletin. English readers in Belgium can also choose from the International Herald Tribune and the Wall Street Journal Europe.

De Standaard (Dutch daily)
Gossetlaan 28
1702 Groot-Bijgaarden
Tel: 32/2/467-2211
Fax: 32/2/466-3093

Knack (Dutch weekly)
Tervurenlaan 153
1150 Brussels
Tel: 32/2/737.51.39
Fax: 32/2/737.51.10

De Financieel Economische Tijd (Dutch Business daily)
3 bus, 9 Posthoflei
B-2600 Berchem
Tel: 32/2/286.02.11
Fax: 32/2/286.02.10

Trends Magazine (Dutch weekly)
Research Park Zellik
De Haak 2
1731 Zellik
Tel: 32/2/467-5700
Fax: 32/2/467-5758

Le Soir (French daily)
120 Rue Royale
1000 Brussels
Tel: 32/2/225-5555
Fax: 32/2/225-5911

La Libre Belgique (French daily)
Bd. Emile Jacqmain 127
1000 Brussels
Tel: 32/2/211-2777
Fax: 32/2/211-2794

L'Echo (French Business daily)
Rue de Birmingham 131, 3rd Floor
1070 Brussels
Tel: 32/2/526-5511
Fax: 32/2/526-5526

Trends Tendances (French business weekly)
Research Park Zellik
De Haak 2
1731 Zellik
Tel: 32/2/467-5900
Fax: 32/2/467-5759

The Bulletin (English Weekly)
Ackroyd Publications
Chaussée de Waterloo, 1038
1180 Brussels
Tel: 32/2/373-9909
Fax: 32/2/375-9822

Pricing Product

Belgium is a highly competitive market and therefore the Belgian importer is looking for the best quality at the lowest price. American products and technology are highly regarded, but they do not command higher prices than

competitive products available from within the EU or other third country exporters. One must consider that, while Belgium is an important market in its own right, it is also the country of entry for many imports destined throughout Europe. This environment gives Belgian buyers access to a wide range of products at competitive prices in their own market.

Sales Service/Customer Support

Belgium has implemented legislation that facilitates the creation of distribution, service or coordination centers in Belgium. Distribution centers can engage in a variety of activities including: the purchase of raw materials for members of the company group; the storage, management, and packaging of raw materials; the sale, transport and delivery of these raw materials to group members; and the handling of certain goods purchased for resale. In addition to enlarging the activities performed at distribution centers, the Belgian government has passed legislation allowing these activities to be taxed at a favorable cost plus rate. Similar tax benefits were also recently passed for service and coordination centers.

A service center is an external and independent entity, set up by a multinational company, with the purpose of exclusively carrying out one or several specific activities on behalf of the companies of the group. These activities include extensive customer support, such as call centers, for the follow-up and the support of the sale of goods, help desks for products, registration and confirmation of orders, data processing, customer information and so on. Qualifying service centers must be set up as Belgian resident companies. In contrast, a coordination center is designed to permit a multinational group to directly perform certain financial activities on behalf of its member companies. In distribution, service, and coordination centers, multinationals can derive significant tax and other benefits from operating in Belgium. Specialized tax regimes for all three types of centers allow international companies to broaden their activities while still benefiting from the system's advantages in terms of attractive tax incentives. See also Chapter VII: Investment Climate.

For more information on distribution, service and coordination centers, a U.S. company should contact the American Embassy in Brussels or contact the following:

Ministry of Finance - Administration of Fiscal Affairs
Tour des Finances
Boulevard du Jardin Botanique, 50 bte 52
1010 Brussels
Contact: Mr. Gombeer, Auditor
Tel: 32/2/210-2348
Fax: 32/2/210-3307

Ministry of Economic Affairs - Service for Foreign Investors
60, Rue Général Leemans
1040 Brussels
Contact: Mrs. Colette Ofstralen
Tel: 32/2/206-5863 or 206-5864
Fax: 32/2/514-0389

Ministry of Finance - Administration of Direct Taxes
Tour des Finances
Boulevard du Jardin Botanique,

50 bte 32
1010 Brussels
Tel: 32/2/210-2211
Fax: 32/2/210-4118

Contact: Mr. Patrick Jacobs - Coordination Centers
Tel: 32/2/210-2342
Fax: 32/2/210-4118

Contact: Mr. DeKeyser - Distribution and Service Centers
Tel: 32/2/210-2354
Fax: 32/2/210-4118

FORUM 187 (Federation of Coordination Centers)
Rue Montoyer - Montoyerstraat, 63
2nd Floor
1000 Brussels
Contact: Jean-Yves Dopchie, Secretary General
Tel: 02/282-00-50
Fax: 02/280-18-16

Selling to the Government

Although the objective of EU directives has been to open government procurement to foreign companies, in practice, it is still advisable to work with a locally established company that has the appropriate contacts and local market expertise. Purchases by government or local entities of over BF 5 million (\$130,000) are subject to procurement by public tender. In addition, current EU directives require that tenders for purchases of over \$20 million must be published in the EU Bulletin and are subject to procurement procedures established by the EU for all member states. For an explanation of the European Union and its governing European Directives (laws) please reference the EU Commercial Guide.

Protecting Your Product from IPR Infringement

The intellectual property rights granted under U.S. patent, trademark or copyright law can only be enforced in the United States and its territories and possessions. The EU, for its part, has taken a number of initiatives to provide intellectual property protection, but not all measures have been implemented. In cases of non-implementation, national laws still prevail.

Patents

Belgium is a member of the World Intellectual Property Organization (WIPO) and the European Patent Convention (EPC). The Community Patent Convention has only been ratified by Germany and Greece, subsequently a single European patent, valid throughout the EU, does not yet exist. In the meantime, the patent applicant can choose between a national and a multiple-country patent. In the latter case, a single application to the European Patent Office in Munich (European Patent Office, Erhardstrasse 27, D-80331 Munchen, Germany, Tel: 49-89-23990, Fax: 49-89-23994465) is required for obtaining patents valid in a number of countries within the EU, Liechtenstein, Monaco, and Switzerland. A patent thus granted is valid in Belgium only when a copy of the grant is in one of Belgium's three national languages and is filed with the Belgian Office of Industrial Property. To obtain a national patent in

Belgium, the inventor or his/her assignee must file a request with the Office of Industrial Property in the Ministry of Economic Affairs. Officially the Belgian Patent Office cannot refuse to grant anyone a patent. Normal Belgian patents last for six years. Those who require a twenty year patent must request a "Novelty and Non-Obvious Search". Once granted, the patent is registered with the Register of Patents, again located in the Ministry of Economic Affairs. However, the validity of the Patent is not guaranteed. The Belgian courts have the power to nullify a patent if the court feels that the patent does not meet the Novelty and Non-obvious specifications.

Trademarks

An EU Trademark Office has been established in Alicante, Spain. Trademark registration can be handled through this office:

EU Trademark Office
Av. Aguilera 20
03080 Alicante, Spain
Tel: 34/ 96/ 513-9100
Fax: 34/ 96/ 513-9173

Trademarks in Belgium have been regulated by the Uniform Benelux Law of 1962, which offers protection in Belgium, the Netherlands and Luxembourg. A trademark application can be filed with the Belgian National Office in the Ministry of Economic Affairs or with the Benelux Trademark Bureau located in The Netherlands (15 Bardewyklaan, 2591 XR Den Haag, Tel: 31/ 70/ 349-1111). A search is required to ascertain the existence of a similar or identical trademark for the same category of product. If granted, protection lasts for ten years from the date of application and can be renewed for further periods of ten years each. Trademarks must be used within three years of registration or within any uninterrupted period of five years.

Copyrights

Belgium is a member of the Bern Convention and the Universal Copyright Convention of Geneva (UCC). As a member of the UCC, to which the United States and 50 other countries belong, Belgium accords authors automatic copyright protection throughout all UCC countries when registered with this organization. Protection exists for the life of the author, plus 50 years after death. In addition, Belgium has passed a revised copyright law, which brings Belgian practice into conformity with existing EU directives. However, EU directives permit some variation in each member state and U.S. firms wishing to protect their copyrights in Belgium should consult local legal counsel. This is particularly true regarding reciprocity provisions in the new law.

The harmonization of national copyright legislation throughout the EU has been prioritized for certain sectors in the European Commission's green paper and follow-up paper. Steps have been taken in the fields of:

- Computer Programs (adopted): Software protected as literary work.
- Satellite Transmissions (adopted and in force): Authorizations from the copyright holder only in the member state from which the transmission occurs.

- Cable Broadcasts (adopted and in force): Rights for the simultaneous, unaltered retransmission by cable of programs would be negotiated exclusively within collective management societies.
- Copyright period (in force since July 1, 1995): Copyright protection 70 years after the death of the author, and for neighboring rights: 50 years.
- Rental/Lending and related rights (adopted): Exclusive right permitting authorities, performers and producers, film and record producers to authorize or forbid the rental or lending of their works. The directive harmonizes member state legislation on certain neighboring rights concerning fixation reproduction, distribution, broadcasting, and communications to the public.
- Databases (proposal): Harmonization of EU copyright rules affecting databases, including an "unfair extraction" clause.
- Design and Model protection (proposal): 25-year period of protection for industrial models and designs. Applications for the registration of a design are filed with the Benelux Office for Designs and Models or with the Ministry of Economic Affairs (see Appendix E, Foreign Investment offices).

Need for Local Attorneys

Belgium is not a highly litigious country. Nevertheless, U.S. companies should consult local attorneys for most business transactions. For example, we have already noted above the need for local attorneys when drawing up an agency or a distribution agreement. The standard U.S. agreement, which often applies U.S. law, will not suffice in Europe. Local attorneys are also needed when registering patents, trademarks, or copyrights. Ultimately, local legal advice is essential when setting up an office, or when establishing a distribution, service or coordination centers. The Commercial Service of the U.S. Embassy maintains a list of local lawyers specializing in business transactions in Belgium and Europe.

Performing Due Diligence

To assist American companies in conducting due diligence prior to entering into financial and/or business agreements with Belgian companies, the Commercial Service can recommend several reputable firms that handle credit reporting and collections services. The market leaders in Belgium are Graydon International and Dun & Bradstreet; both addresses can be found in Appendix E.

V. LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENTS

Best Prospects for Non-Agricultural Goods and Services:

Data in the following tables is in US\$ millions and ranked by next year's expected growth rate for U.S. Imports.

1.	Aircraft and Parts (AIR)	
	1999 est. total market size	521
	1999 est. imports from the U.S.	236
2.	Security Equipment (SEC)	
	1999 est. total market size	213

	1999 est. imports from the U.S.	23
3.	Telecommunication Services (TES)	
	1999 est. total market size	6,016
	1999 est. Sales by U.S.-owned firms	668
4.	Franchising (FRA)	
	1999 est. total market size	637
	1999 est. sales by U.S.-owned franchises	268
5.	Computer Services (CSV)	
	1999 est. total market size	2,129
	1999 est. imports from the U.S.	493
6.	Automotive Parts and Services Equipment (APS)	
	1999 est. total market size	16,195
	1999 est. imports from the U.S.	967
7.	Seafood (MFI)	
	1999 est. total market size	610
	1999 est. imports from the U.S.	42
8.	Computer Software (CSF)	
	1999 est. total market size	1,757
	1999 est. imports from the U.S.	795
9.	Electric Power Systems (EPS)	
	1999 est. total market size	2,191
	1999 est. imports from the U.S.	776
10.	Travel and Tourism Services (TRA)	
	1999 est. total market size	10,410
	1999 est. Total Spending by Belgians Visiting the U.S.	936
11.	Pollution Control Equipment (POL)	
	1999 est. total market size	2,824
	1999 est. imports from the U.S.	257
12.	Telecommunication Equipment (TEL)	
	1999 est. total market size	1,323
	1999 est. imports from the U.S.	169
13.	Printing and Graphic Art Equipment (PGA)	
	1999 est. total market size	517
	1999 est. imports from U.S.	195
14.	Building Products (BLD)	
	1999 est. total market size	9,934
	1999 est. imports from the U.S.	30
15.	Computer and Peripherals (CPT)	
	1999 est. total market size	3,205
	1999 est. imports from the U.S.	76
16.	Textile Fabrics (TXF)	
	1999 est. total market size	1,959

	1999 est. imports from the U.S.	82
17.	Sporting Goods and Recreational Equipment (SPT)	
	1999 est. total market size	749
	1999 est. Sales by U.S.-owned firms	11
18.	Medical Equipment (MED)	
	1999 est. total market size	634
	1999 est. imports from the U.S.	144
19.	Plastic Materials and Resins (PMR)	
	1999 est. total market size	235
	1999 est. imports from the U.S.	133
20.	Apparel (APP)	
	1999 est. total market size	3,098
	1999 est. imports from the U.S.	85
21.	Laboratory Scientific Instruments (LAB)	
	1999 est. total market size	2,677
	1999 est. imports from the U.S.	165

Rank of sector: 1

Name of Sector: Aircraft and Parts

ITA industry code: AIR

Belgium's two major carriers are Sabena, with its subsidiaries Dat and Sobelair, and Citybird. By the year 2002, Sabena will have gradually replaced its fleet of Boeings with Airbuses. Its total fleet will then include 34 Airbuses of the A-320 family, 8 A-330, and 4 A-340. Sobelair will continue to fly its B-767 and B-737. Expots from the United States are forecast to increase from 1999 until 2003 due to Sabena's decision to power their new Airbus A320's with GE's CFM 56 engines. Sabena has ordered 80 of these engines. Sabena, now 49.5 percent owned by Swissair, has become profitable after years of losses.

Sabena Technics, a third party repair and maintenance stations, will keep it Boeing maintenance activities. In addition, the company has recently formed a joint venture with SNECMA that will significantly increase it's maintenance and repair activities on GE engines.

Citybird is a fast-growing outsider that thrives on no-frills/low cost fares. The only significant general aviation company is Abelag. It imports, maintains and operates several brands of general aviation planes and also provides ground handling for heads of state planes. There are approximately 120 Belgian companies involved in manufacturing and supplying aircraft parts. The best way to contact them is via their trade associations FLAG and GEBECOMA. To enter the military market, American suppliers should contact the Office of Defense Cooperation (ODC) via the U.S. Embassy. Zaventem, Brussels international airport, handled 18.5 million passengers in 1998 and is continually expanding, with a new concourse currently in the design stage.

The Belgian Government as well as the local aerospace industry are poised to participate in two major projects: the JSF (Joint Strike fighter), to replace the aging F16 and the FLA (Future Large Aircraft), or Airbus A-400M to replace the C-130. The government is considering not only procuring of these two aircraft, but also participation in the manufacturing process. Participation may include mechanical as well as structural parts. Statistics below do not reflect these projects slated for two or more years in the future.

DATA TABLE

	1997	1998	1999
A. Total Market Size	316	460	521
B. Total Local Production	85	114	142
C. Total Exports	157	175	189
D. Total Imports	388	521	568
E. Total Imports from U.S.	176	174	236
Exchange Rate: BF per \$	35.7	36.3	37.0

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1997 and 1999.

Rank of Sector: 2
Name of Sector: Security Equipment
ITA Industry Code: SEC

During the past few years, the number of reported crimes, particularly in regards to stolen property and vehicles, has increased significantly in Belgium. The growing feeling of insecurity has resulted in an increased demand for security products from private companies, the public sector and private citizens.

Security companies are currently focusing on the residential market which is expected to grow twice as fast as the corporate market.

Local production is relatively small compared to imports. However, substantial amounts of security equipment are being imported, assembled and then re-exported.

DATA TABLE

	1997	1998	1999
A. Total Market Size	163	183	213
B. Total Local Production	142	160	185
C. Total Exports	56	65	76
D. Total Imports	77	88	104
E. Total Imports from U.S.	18	20	23
Exchange Rate: BF per \$	35.7	36.3	37.0

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1997 and 1999.

Rank of sector: 3
Name of Sector: Telecommunication Services
ITA industry code: TES

The deregulation of the telecommunications market has contributed to the 9.5 percent growth rate of the telecommunications services market in Belgium in 1998. Eighteen months after deregulation more than twenty carriers are active in Belgium including BT, MCI-Worldcom, Versatel, Colt, and Axxon. The fastest growing segment is the mobile telephone market. In April 1999, the total number of mobile phone users in Belgium has reached 1.92 million representing 20 percent of the total population. Currently, there are three mobile telephone networks in Belgium: Proximus, Mobistar, and Orange (the DCS1800-network that became operational in May of 1999).

IDC predicts that by 2002, the business telecom market in Belgium will surpass the consumer telecom market. In 1997, the two markets still had an equal share of the total Belgian telecom services market. ISDN, ATM, and high speed data-communication services are among the fastest growing sectors of the Belgian telecom services market.

Another major source of growth is the Internet. According to the electronic market research bureau Grid, at the end of 1998, the total number of Internet

users in Belgium amounted to 680,000 and by the end of 1999 Belgium will have one million Internet users representing 10 percent of the population. At the beginning of 1999, there were 11,571 web-sites in Belgium. At the end of 1998, there were 13,000 Belgian domain names and this figure is expected to double by the end of 1999.

DATA TABLE

	1997	1998	1999
A. Total Market Size	5,109	5,593	6,016
B. Sales by Local Firms	4,342	4,698	4,938
C. Exports by Local Firms	N/A	N/A	N/A
D. Sales by Foreign-owned Firms	767	895	1,078
E. Sales by U.S.-owned Firms	421	574	668
Exchange Rate: BF per \$	35.7	36.3	37.0

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1997 and 1999.

Rank: 4
Name of Sector: Franchising
ITA Industry Code: FRA

The franchise market in Belgium has shown great strength over the past five years and the outlook for further growth is optimistic. The market is expected to grow at an average of about 8 percent per year for at least the next three years. By 2001, the number of foreign controlled franchise units operating in Belgium should increase to about 800 from 546 in 1997, and corresponding sales to about \$750 million from \$546 million in 1997.

There are 170 franchise companies in Belgium with over 3,500 independent franchisees. These businesses generated a turnover of more than \$4.13 billion in 1998. The franchise industry represents approximately 6 percent of sales in the retail trade and provides over 28,000 jobs. French franchising systems lead the Belgian franchise market with a 20 percent share, while U.S. franchising systems account for 4.5 percent and U.K. systems for 3.2 percent.

American franchisers seeking to develop in Belgium should concentrate on the following most promising sectors: hairdressing, training services, home maintenance, services for the elderly, and private postal services.

DATA TABLE

	1997	1998	1999
A. Total Market Size	3,800	4,130	4,450
B. Sales by Local Franchises	2,090	2,270	2,450
C. Total Exports by Local Franchises	N/A	N/A	N/A
D. Sales by Foreign-owned Franchises	1,710	1,860	2,000
E. Sales by U.S.-owned Franchises	118	129	142
Exchange Rate: BF per \$	35.7	36.3	37.0

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1997 and 1999.

Rank of sector: 5
Name of Sector: Computer Services
ITA industry code: CSV

During 1999-2000, growth in the Belgian IT sector is expected to reach 8.2 percent. This increase comes mainly from the software and services market, which is growing at an average rate of 14.2 percent in 1999, and is expected to reach 11.1 percent by the end of 2000. Computer services in Belgium are distributed among the following sectors: manufacturing (40 percent); banking and insurance (20 percent); the public sector (13 percent); wholesale/distribution (10 percent); and others (17 percent).

During 1998, two market stimulants were crucial for the growth in the software services sector: the adaptation of computer systems to the Year 2000 and the implementation of the Euro, the European currency. Most large companies are addressing Y2K implementation and compliance testing; the majority of the companies will finish the process during 1999. Moreover, many SME's have yet to focus on the Y2K problem.

There are some 3,684 computer service companies active in the Belgian market, of which 3,209 have less than five employees, 189 have between five and ten, 114 between ten and twenty, 56 have between 50 and 100, and 119 have more than 100 employees. While most of these companies are small to medium sized businesses, the larger companies control 40 percent of the market share.

The Belgian market has entered the age of the Internet and there has been spectacular growth in sales of Intranet, Internet, WWW, Groupware and e-commerce software applications. Market sources expect that in 2001, e-commerce in Belgium will represent approximately \$1 billion in sales.

DATA TABLE

	1997	1998	1999
A. Total Market Size	1,762	1,915	2,129
B. Sales by Local Firms	1,067	1,149	1,255
C. Exports by Local Firms	N/A	N/A	N/A
D. Sales by Foreign-owned Firms	695	766	874
E. Sales by U.S.-owned Firms	388	454	493
Exchange Rate: BF per \$	35.7	36.3	37.0

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1997 and 1999.

Rank of sector: 6
Name of Sector: Automotive Parts and Service Equipment
ITA industry code: APS

There are 4 million cars registered in Belgium and 13,000 maintenance and repair outlets. Belgium has a very strong assembly industry (GM, Ford, VW, and Volvo) that assembles 1.1 million vehicles annually. Chrysler, Ford, and GM are all successful with the models they assemble in Europe. Both Ford and GM are making substantial investments to increase their production capacity. However, the market for "American" models is still lagging. Among Belgian owned cars, 60 percent are European, 30 percent Japanese, 1.5 percent American and 9.5 percent are either Korean, Russian, Polish, or Czech.

Europeans in general, and Belgians in particular, tend to keep their cars longer than Americans. In Belgium, 54 percent of cars are over five years old. While American garage and test equipment have always been highly respected, American-made automobiles are now also experiencing some resurgence in popularity. Best subsectors include anti-theft devices, fast-rotating replacement parts, gadgets for in-car entertainment, and car maintenance products. In the repair and service equipment market, the most promising items are air-conditioning, air-conditioning maintenance equipment, electric diagnostic equipment, and emission testing equipment.

DATA TABLE

	1997	1998	1999
A. Total Market Size	14,425	15,451	16,205
B. Total Local Production	18,993	20,344	21,344
C. Total Exports	21,774	23,322	24,469
D. Total Imports	17,206	18,429	19,330
E. Total Imports from U.S.	860	921	967
Exchange Rate: BF per \$	35.7	36.3	37.0

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1997 and 1999.

Rank of sector: 7

Name of Sector: Seafood

ITA industry code: MFI

Belgium is an excellent distribution center for much of Europe's seafood industry. In 1998, the per capita consumption of seafood in Belgium reached a high of 23 kilos compared to an average of 12-15 kilos for the rest of Europe. This figure has been increasing steadily at an annual rate of four percent over the last ten years. Although the traditional fish business remains strong, there is also a trend towards high profile, high quality value-added products. The most promising subsectors for these products are lobsters, fresh/frozen salmon and frozen value-added seafood.

Since 1993, Brussels is host to the annual European Seafood Exposition held in April. This international event is known in seafood circles as Europe's premier seafood fair and attracts exhibitors and visitors from all around the world. The 1999 event included 850 exhibitors and was visited by over 13,000 professionals, of which eighty percent were non-Belgians.

DATA TABLE

	1997	1998	1999
A. Total Market Size	582	590	610
B. Total Local Production	45	44	42
C. Total Exports	155	164	170
D. Total Imports	692	710	738
E. Total Imports from U.S.	38	40	42
Exchange Rate: BF per \$	35.7	36.3	37.0

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1997 and 1999.

Rank of sector: 8

Name of Sector: Computer Software

ITA industry code: CSF

The computer software market in Belgium is expected to grow at an average rate of 15.2 percent in 1999 and by 13 percent in 2000. During 1998, two major market stimulants were crucial for the growth in the software sector: the adaptation of the computer systems to the year 2000 and the implementation of the Euro. While most large companies have initiated Y2K implementation and compliance testing, most companies will finish the process during 1999. These factors have stimulated a large increase in software product sales. In addition, there has been an ongoing price decline in the software products market. As a result, an increasing number of users benchmark their internal software against independent providers. There is currently a shift away from custom-made software towards packaged software products.

Best prospects in Belgium range from standard applications to high-end business applications including Internet, WWW, Intranet, and e-commerce software; networking software and network security products; development tools; Windows NT and UNIX-based products, data warehousing software, ERP systems, statutory and analytical consolidation software, and marketing applications software. Games for the consumer market are also popular. Windows-based programs and applications dominate the market.

Belgium has an excellent network of highly qualified packaged computer product distributors, ranging from the very large broadliners and those with a large dealer network, to small highly specialized Value Added Resellers. Most American origin packaged software products are sold in the Belgian market by this channel. In addition, many American computer software companies have their own subsidiary in Belgium and a well-established distribution network throughout the country. A multitude of other channels are also available including specialized computer shops, department stores, and mail-order houses.

DATA TABLE

	1997	1998	1999
A. Total Market Size	1,374	1,555	1,757
B. Total Local Production	567	638	721
C. Total Exports	312	344	397
D. Total Imports	1,119	1,261	1,433

E. Total Imports from U.S.	653	758	795
Exchange Rate: BF per \$	35.7	36.3	37.0

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1997 and 1999.

Rank of sector: 9

Name of Sector: Computer and Peripherals

ITA industry code: CPT

The Belgian computer hardware market continues to grow although at a slower pace than in recent years. The bulk of the growth will come from the sale of PCs, mass storage devices, and networking products. The driving factors are the rapid growth of the use of the Internet and the introduction of E-business. The growth rates have been declining in dollar terms from 12 percent in 1997 to 7.3 percent in 1998 and to 6 by 2000. One of the principal reasons is the drop in prices.

In 1998, 636,000 PCs were sold in Belgium representing a growth of 21.3 percent, or just above the European average of 21.2 percent. Classified by brand, the top positions in the Belgian market are held by Compaq (24.2 percent), followed by Dell (8.8 percent), IBM (6.2 percent), Vobis (5.9 percent), SNI (5.8 percent), Olivetti (4.9 percent), Stein (4.9 percent), HP (4.5 percent), and Apple (4.4 percent). At the end of 1998, the number of PC users in Belgium was estimated at 2.5 million, or 27 percent of the population. The home professional users represent 80.2 percent of the PC market. The sale of PCs for home use is expected to continue growing in volume as prices come down further, greater bundle offerings are made, and use of the Internet becomes popular. On the other end of the computer hardware scale, the mainframe and mid range computer markets are also performing well mainly due to decreasing prices and the need for large networks. Y2K fears and the implementation of the Euro have driven growth on the business side.

More than 500,000 printers were sold in the Belgian market in 1998 by indirect and direct sales channels. Inkjet printers hold the lion's share of the market with 70 percent compared to 25 percent for the laser printers. The market grew by 24 percent in units and 12 percent in value. HP is undeniably the market leader with a market share of more than 60 percent, followed by Epson (20 percent), and Canon (10 percent).

DATA TABLE

	1997	1998	1999
A. Total Market Size	2,008	2,119	2,191
B. Total Local Production	723	765	744
C. Total Exports	385	405	395
D. Total Imports	1,670	1,759	1,842
E. Total Imports from U.S.	704	749	776
Exchange Rate: BF per \$	35.7	36.3	37.0

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1997 and 1999.

Rank of sector: 10
Name of Sector: Travel and Tourism Services
ITA industry code: TRA

Despite the strong dollar, travel to the United States remains buoyant due to intense competition between the airlines and their subsequently low airfares. Sabena, United, American, Delta Air Lines, Continental and City Bird provide direct service to the United States. An estimated 230,000 Belgians traveled to the United States in 1998 and the forecast for 1999 is estimated to be over 240,000. Major growth sectors include fly-and-drive packages, mobile home vacations and youth travel. The Midwest and West Coast have become popular vacation destinations, while New York and Washington DC are still popular destinations. An increasing number of visitors from Belgium are choosing to rent cars to visit smaller towns and cities which has in turn, led to an increase in motor tourism.

The Visit USA Travel and Tourism Center is a very useful source of information for both the travel trade and general public. It handles over 48,000 requests annually for information, and organizes travel promotion events. Their major event is the Visit USA Workshop (next event: March 2000), where some ninety exhibitors meet with over five hundred travel trade professionals from Belgium and Luxembourg to discuss business opportunities. The Visit USA Center coordinates are: Boulevard General Jacques, 20, 1050 Brussels Tel: 32/2/648-4342 Fax: 32/2/648-4022, Ms. Brigit Lambrechts, Office Manager. Internet: <http://www.visitusa.org>

DATA TABLE

	1997	1998	1999
A. Total Market Size	9,786	10,105	10,410
B. Total Spending on Foreign Travel	5,546	5,727	5,900
C. Total Spending on Domestic Travel	4,240	4,378	4,510
D. Total Spending by Belgians	880	908	936
Visiting the U.S.			
Exchange Rate: BF per \$	35.7	36.3	37.0

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1997 and 1999.

Rank of sector: 11
Name of Sector: Pollution Control Equipment and Services
ITA industry code: POL

Belgium is one of the most densely industrialized and populated areas in the world. As a result, it faces numerous pollution and waste management problems. The three regional governments of Belgium, each responsible for environmental issues and implementation of EU directives in its area, have set up specific long-term environmental management plans, for waste (including soil remediation), water and air pollution. The success of the Greens party in the June 1999 federal and regional elections ensures that more attention will be given to ecological issues and consumer protection in

general. Growing opposition to new landfills and incinerators will force a reduction of wastes at the source. Belgium will strengthen implementation of the polluter-pays principle through ecotaxes and increase pollution taxes to finance environmental infrastructure.

Belgium has had some serious cases of site contamination. Flanders has a plan to remediate all contaminated historical sites by 2036. Industrial site owners are now liable for their lifetime for any pollution generated on site. By 2003, soil of all gas stations will need to be sampled and potentially de-polluted from hydrocarbons. Wallonia has a similar plan to remediate old sites by 2010. Creation of public wastewater treatment plants is developing in all three regions. Air pollution control will need to concentrate on reducing emissions of particulate matters in urban areas.

The total environmental expenditure in Belgium (public and private sectors) is about 1.1 percent of GDP and amounts to approximately 2.5 million dollars with priorities on waste management (46 percent), used water treatment (38 percent) and air pollution control (16 percent). Belgium still needs to increase expenditures on environment if it is to meet its domestic objectives as well as its EU and other international environment commitments. Best prospects include measurement and analysis instruments, monitoring equipment, process controls, emission filters, recycling (old tires and green waste), and waste water and soil remediation technologies.

DATA TABLE

	1997	1998	1999
A. Total Market Size	2,666	2,747	2,824
B. Total Local Production	292	301	307
C. Total Exports	58	58	60
D. Total Imports	2,432	2,504	2,575
E. Total Imports from U.S.	242	250	257
Exchange Rate: BF per \$	35.7	36.3	37.0

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1997 and 1999.

Rank of sector: 12

Name of Sector: Telecommunications Equipment

ITA industry code: TEL

In 1998, the telecommunications equipment market in Belgium grew by 8 percent and is expected to grow by 9 percent during 1999 and 2000. Belgacom, the former telecom monopoly, continues to be under great pressure to become more competitive and to modernize its telecom networks. As a result, it continues to aggressively invest in upgrading its infrastructure. However, its new price conscious purchasing policy has actually reduced the total dollars spent on each new network program. Increases in equipment expenditures for infrastructure now come predominantly from alternative networks. One year after the deregulation and liberalization of the telephony infrastructure and fixed-voice services, the Belgian telecommunications market has changed drastically. More than 20 carriers are currently active in Belgium. The infrastructure investments by the new operators such as BT, France Telecom/Telinfo's Starnet, GTS-Esprit Telecom, Mobistar, Orange, Telenet,

Versatel, MCI-Worldcom, will continue to compensate for the decline in purchases from Belgacom. MCI-Worldcom alone invested \$42 million in Belgium during 1997 and 1998, and has budgeted another \$42 million of investments for 1999 and 2000. Growth areas for end user equipment include mobile terminal equipment for GSM (dual standard for both 900 and 1800 networks), wireless phones with DECT standard, ISDN terminal equipment, mobile radio equipment, broadcasting equipment, and CTI equipment. As far as infrastructure equipment is concerned SDH, ATM, ADSL and other equipment for broadband optic fiber networks are in high demand. In 2000, the Belgian local loop market is expected to open up to competition resulting in market opportunities for American businesses.

DATA TABLE

	1997	1998	1999
A. Total Market Size	1,210	1,289	1,323
B. Total Local Production	1,004	993	1,015
C. Total Exports	683	688	703
D. Total Imports	889	984	1,011
E. Total Imports from U.S.	133	164	169
Exchange Rate: BF per \$	35.7	36.3	37.0

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1997 and 1999.

Rank of sector: 13

Name of Sector: Printing and Graphic Art Equipment

ITA industry code: PGA

The Belgian printing and graphic art equipment industry is divided into two distinct subsectors:

-Electronic publishing equipment: This subsector has had rapid growth over the last few years. The United States market share is 60 percent. American companies offering the latest technology are likely to find strong interest for their products in this subsector.

-"Mechanical" equipment: Presses and bookbinding equipment lead in this subsector. German equipment dominates the Belgian mechanical equipment market. At present, the United States only has 2 percent market share due to strong European competition.

DATA TABLE

	1997	1998	1999
A. Total Market Size	505	512	517
B. Total Local Production	13	14	14
C. Total Exports	131	134	134
D. Total Imports	623	632	637
E. Total Imports from U.S.	190	192	195
Exchange Rate: BF per \$	35.7	36.3	37.0

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1997 and 1999.

Rank of sector: 14

Name of Sector: Building Products

ITA industry code: BLD

American industry supplies 50 percent of softwood and plywood market. Out of the \$19 million of U.S. exports to Belgium in 1998, \$15 million remained in the Belgian market, and \$4 million was re-exported. There is good potential for innovative American building products. Every year, around forty thousand new homes are built in Belgium and even more are being remodeled. However, building patterns are very different from those in the United States. For instance, only ten percent of Belgian homes are prefabricated, and nearly 90 percent of all homes are custom built out of brick. This reflects the notion that homes are constructed to last for two or more generations. For commercial buildings, concrete is preferred over all other materials. Best sub-sectors include plywood, particleboard, medium density fiberboard, innovative roofing products and building sealants, do-it-yourself building sub-components and intrusion alarm systems. The number of housing starts is expected to grow slightly as the economy slowly recovers and consumer confidence rises. The current low mortgage rates as well as a temporary reduction of VAT (sales tax) from 21 percent to 6 percent for renovating homes that are more than 20 years old, has strengthened this market sector.

DATA TABLE

	1997	1998	1999
A. Total Market Size	9,900	10,161	9,934
B. Total Local Production	7,900	8,108	7,927
C. Total Exports	790	811	793
D. Total Imports	2,790	2,864	2,800
E. Total Imports from U.S.	30	30	30
Exchange Rate: BF per \$	35.7	36.3	37.0

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1997 and 1999.

Rank of sector: 15

Name of Sector: Electric Power Systems

ITA industry code: EPS

Belgium's electric power is provided largely by nuclear energy (55 percent), followed by, coal generating plants (23 percent), and natural gas from Algeria, the Netherlands and the North Sea (mainly Norway) (17 percent). In 1997, Belgium's electricity production was 75,071 Gwh, an increase of 4.5 percent over 1996. Total electricity consumption was 73,217 Gwh, an increase of 2.5 percent over 1996. The continued improvement in the country's economic performance increased energy consumption by 2.7 percent in 1998.

Under the National Equipment Plan for Electricity and Transmission Facilities 1995-2005, a well-coordinated program of investment provides for the steady modernization and maintenance of the system. The \$9 billion program offers good opportunities for U.S. manufacturers despite strong competition from manufacturers in the EU. The current trend is for new generation equipment to be installed with combined cycle capability. Coal fired generators will

also be steadily converted to combined cycle capability. Renewable energy is in its infancy in Belgium. Only 1.7 percent of the energy consumption in Belgium is renewable.

The Belgian law addressing the EU energy directives on electricity and gas was passed in April 1999. The law confirms the implementation date for the first stages of electricity deregulation to be February 19, 2000 and gas deregulation to be August 10, 2000. New entrants into Belgium's electric power market will face stiff competitions from Electrabel, which currently controls 84 percent of the market. In addition, there will be new competition from neighboring countries, such as France, which produce low cost electricity from nuclear power plants. However, there will still be excellent opportunities for American companies providing support services and equipment to the power generation market.

The following table gives an estimate of the market for electric power generating, transmission, and distribution equipment.

DATA TABLE

	1997	1998	1999
A. Total Market Size	3,075	3,141	3,205
B. Total Local Production	2,057	2,102	2,145
C. Total Exports	197	201	205
D. Total Imports	1,215	1,241	1,265
E. Total Imports from U.S.	73	74	76
Exchange Rate: BF per \$	35.7	36.3	37.0

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1997 and 1999.

Rank of sector: 16

Name of Sector: Textile Fabrics

ITA industry code: TXF

While the first half of 1998 showed strong growth, starting in the third quarter, the rate of growth slowed. Instability in South America, as well as the economic crises in Southeast Asia and Russia, unfavorably impacted the sector. Demand, which remained high in the EU, had a positive impact on growth. If the growth trends in European markets and the improvement in the international economic situation continue to improve, it is likely that the market will rebound in the second half of 1999. The annual Decosit trade show in Belgium has become the major international event in the Upholstery Textile sector. In cooperation with the U.S. Department of Commerce's Office of Textiles and Apparel (OTEXA), the U.S. Embassy organizes a U.S. Pavilion at Decosit. Companies interested in exhibiting should contact: OTEXA, U.S. Department of Commerce, Washington DC 20230; tel: (202) 482-5153; fax: (202) 482-2859.

DATA TABLE

	1997	1998	1999
A. Total Market Size	1,971	1,994	1,959
B. Total Local Production	3,962	4,008	3,937

C. Total Exports	3,724	3,767	3,700
D. Total Imports	1,733	1,753	1,722
E. Total Imports from U.S.	82	83	82
Exchange Rate: BF per \$	35.7	36.3	37.0

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1997 and 1999.

Rank of sector: 17

Name of Sector: Sporting Goods and Recreational Equipment

ITA industry code: SPT

Despite an increase in consumer health consciousness and leisure time, the Belgian sporting goods market is witnessing a period of stagnation. When the sporting goods market was booming during recent years, many small dealers have entered the field. As a result, the market is now saturated and the competition has led to lower prices. Small dealers are finding it difficult to compete.

At the same time Belgium remains highly receptive to American sporting goods products which are innovative, of high quality and not yet widely distributed on the Belgian market. The new sport in fashion in Belgium is badminton, which can be played indoors and in schools. Badminton equipment is mainly supplied by the U.K. and the Far East. Interest for basketball is increasing as well and the market is mainly supplied by the U.S. The U.S. is still the market leader in roller skates, although sales volumes are decreasing in favor of high-quality and upper-priced equipment geared at a small segment of demanding consumers. In-line skating accessories and related equipment are on the rise. In contrast, the footwear market is stagnating, although the American giant Nike has increased its market share to 35 percent. Interest for fitness equipment is decreasing. The market for tennis and soccer equipment remains stable. The U.S. is still the leader for golf equipment which is becoming a leading sport in Belgium as golf clubs decrease their membership fees to attract new younger members. There is a steady interest for all types of bicycles. Lastly, the outdoor sports market is booming and the following articles are increasing in demand: summer mountaineering and climbing equipment, canoes, backpacks, tents, boats, protection sunglasses. In this field, there is a growing demand for top-quality goods of well-known brands.

DATA TABLE

	1997	1998	1999
A. Total Market Size	730	732	749
B. Sales by Local Firms	666	670	670
C. Exports by Local Firms	30	31	30.2
D. Sales By Foreign-owned Firms	93	93	94
E. Sales by U.S.-owned Firms	10	10	11
Exchange Rate: BF per \$	35.7	36.3	37.0

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1997 and 1999.

Rank of sector: 18
Name of Sector: Medical Equipment
ITA industry code: MED

Belgians enjoy sophisticated and high quality medical services. Likewise, Belgium has a well-developed national medical insurance system, which covers almost the entire population. Annual payments to providers in 1998 reached \$12.85 billion. Belgium ranks 13th among the 24 OECD nations in terms of health care spending as a percentage of GDP, and fifth among the twelve EU member states.

U.S.-produced medical equipment is very popular, especially with FDA pre-marketing approval. Only 15 percent of Belgium's medical equipment requirements are manufactured locally. Most promising sub-sectors include infant care and intensive care equipment, home health care equipment, all medical systems and equipment facilitating shorter hospital stays, non-invasive techniques reducing the need for surgery, advanced medical imagery and electro-diagnostic systems. In the field of electrical medical equipment, the United States is Belgium's top supplier. As of June 1998, it has been crucial for companies marketing any medical equipment in EU countries to affix the CE mark to their products (See Chapter VI, re: CE marks)

DATA TABLE

	1997	1998	1999
A. Total Market Size	617	638	634
B. Total Local Production	77	82	81
C. Total Exports	11	12	11
D. Total Imports	551	568	564
E. Total Imports from U.S.	119	145	144
Exchange Rate: BF per \$	35.7	36.3	37.0

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1997 and 1999.

Rank of sector: 19
Name of Sector: Laboratory Scientific Instruments
ITA industry code: LAB

Two major consumers of laboratory scientific instruments are the chemical and pharmaceuticals industries, both of which play an important role in Belgium's economy. In addition, Belgium's seven universities support significant research programs which has also created a high demand for laboratory instruments.

Other factors influencing this sector include the increasing importance of quality control mechanisms (as defined by ISO 9000 certification requirements) and recent pollution control legislation. The market is also heavily influenced by the need for equipment renewal to keep up with constant

upgrades in computer software for advanced applications. The most promising sub-sectors are instruments and apparatus for physical or chemical analysis such as polarimeters, refractometers and spectrometers. The United States is Belgium's leading supplier of modern laboratory equipment. U.S. multinationals in the chemical industry as well as in the instruments industry play an equally important role in providing a showcase for U.S. made instruments.

Although sales are on the rise in the chemical industry and particularly in the pharmaceutical industry (the latter reports a 30 percent increase in sales over the last 12 months), the scientific instrument trade forecasts only a 3 percent increase in 1999.

DATA TABLE

	1997	1998	1999
A. Total Market Size	218	232	235
B. Total Local Production	0	0	0
C. Total Exports	24	25	25
D. Total Imports	242	257	260
E. Total Imports from U.S.	120	128	133
Exchange Rate: BF per \$	35.7	36.3	37.0

The above market values are in millions of U.S. dollars.

Note: differences in the average annual exchange rates can distort change in market size between 1997 and 1999.

The above statistics are unofficial estimates provided by the industry association. Please note that in this sector, goods are imported into Belgium and then re-exported into other European markets. For this reason, the export figures exist although there is no local production. Local production is entirely done in-house by end-users, and therefore are not quantifiable.

Rank of sector: 20

Name of Sector: Apparel

ITA industry code: APP

Consumer spending in Belgium is picking up after over five years of flat, and even depressed, consumer demand levels. Consumption grew 3.6 percent in 1998, due to increases in real income per household and consumer confidence. Economic forecasts are pointing to steady growth of about 3 percent for 1999 and 2000. Belgian sales of clothing apparel traditionally follow retail sales trends, unless unseasonable weather adversely affects buying patterns. A mild 1998-99 winter deflated sales of heavy clothing, especially coats, but an early 1999 spring is expected to provide good mid-year sales prospects. There is continued strong market interest for American sporting and leisure apparel, as American styles are popular and designer and branded products are less price sensitive. The main competition comes from manufacturers and designers in France, Germany and Italy. For budget clothing and mass distribution items, low cost producers in ,the Far East, such as China, Thailand and Indonesia continue to provide the bulk of imports. Low exchange rates from the Asian "crisis" countries accentuate the trend.

DATA TABLE

1997	1998	1999
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A. Total Market Size	2,890	2,952	3,098
B. Total Local Production	1,824	1,863	1,956
C. Total Exports	986	1,008	2,200
D. Total Imports	2,052	2,097	1,058
E. Total Imports from U.S.	81	82	85
Exchange Rate: \$ = BEF	35.7	36.3	37

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1997 and 1999.

Rank of sector: 21

Name of Sector: Plastic Materials and Resins

ITA industry code: PMR

Following the low levels of 1995/96, the market is in a growth phase in line with the general improvement in the European industrial environment. Growth at 2 percent per annum was achieved for 1998 and is expected for the next two to three years. Price levels, however, continue to be very competitive as over-capacity led to price-cutting marketing tactics. Restructuring and re-grouping will continue on the industry attempts to achieve cost savings from volume production and more efficient marketing and distribution.

The outlook for the Belgian plastic industry remains good because of its proximity to international shipping and distribution networks. Inexpensive prime materials from Asia and Eastern Europe, in addition to creating strong competition in the market, increased the dollar's value. However, due to its strong market position and good product innovation record, U.S. manufacturers are expected to be able to increase supplies to the Belgian market at least in line with forecast market growth of 2 percent per annum.

DATA TABLE

	1997	1998	1999
A. Total Market Size	2,595	2,625	2,677
B. Total Local Production	23,757	24,032	24,512
C. Total Exports	23,229	23,497	23,970
D. Total Imports	2,067	2,091	2,135
E. Total Imports from U.S.	159	161	165
Exchange Rate: BF per \$	35.7	36.3	37.0

The above market values are in millions of U.S. dollars.

The above statistics are unofficial estimates.

Note: differences in the average annual exchange rates can distort change in market size between 1997 and 1999.

Best Prospects for Agricultural Products to Belgium and Luxembourg:

WINE:

Belgium imports of wine jumped 18 percent in 1998 to 19,377 million Belgian Francs (approximately US\$ 554 million) according to the Belgian Office of Foreign Trade. Although France continues to be the major supplier of wine to the Belgian market with an 80 percent market share, France is gradually losing market share to wines from the "New World" countries, such as South Africa, Chile and the United States. In Belgium, wine from the United States jumped from 94 million BF (approximately US\$ 3 million) in 1997 to 223 million BF (approximately US\$ 6.1) in 1998. On a volume basis, Belgian imports from the United States increased from 1,092,000 liters to 1,553,000 liters during the same time period. Although the Belgian market is relatively small, interest in U.S. wines is growing. Varieties popular in Belgium include Cabernet Sauvignon, Chardonnay, Zinfandel, and Pinot Noir. Because the average price for wines retailed through Belgian supermarkets is approximately \$5, specialty wine shops and the hotel/restaurant sector offer the most opportunity for U.S. wines. Belgian consumers value quality and are willing to pay higher prices for high quality wines. Promotional support and consumer education efforts are important tools to stimulate U.S. wine sales in the Belgian market.

DATA TABLE

	1997	1998	1999
A. Total Market Size			
-in 1,000 liters-	186,966	214,879	218,000
B. Total Local Production (Bel & Lux)	9,978	15,900	16,000
C. Total Exports	16,390	18,765	18,000
D. Total Imports	195,378	217,744	220,000
E. Total Imports from U.S.	1,092	1,553	1,600

Data for 1999 included in this chart are estimates

Source of trade data: Belgian Office for Foreign Trade/National Bank of Belgium.

TREE NUTS:

Compared to other countries in the European Union, Belgian per capita consumption of tree nuts is relatively small. However, nut consumption has been increasing in the past five years and potential exists for continued increases in consumption, particularly for walnuts and almonds. Although a significant amount of Belgian nut imports are sold through specialty stores, retail sales through supermarkets are becoming increasingly important. Nuts are often imported in-shell and then roasted and salted in Belgium. In addition, there are a number of Belgian food-processing firms that use imported nuts in bakery products, confection and ice cream. Likewise, nuts are an important input for snack foods, a market estimated at 3 billion Belgian Francs.

DATA TABLE

	1997	1998	1999
B. Total Market Size			
-in Metric tons-	25,597	29,312	30,600
F. Total Local Production	600	600	600
G. Total Exports	7,535	12,872	13,000
H. Total Imports	32,532	41,584	43,000
I. Total Imports from U.S.	1,696	5,864	6,500

COMMENTS:

F. Mainly almonds and walnuts

Data for 1999 included in this chart are estimates

Source of trade data: Belgian Office for Foreign Trade/National Bank of Belgium.

FRUIT JUICES:

Belgium is a major importer, processor, and exporter of fruit juices. A substantial volume of concentrated juice is imported and then processed and packaged for re-export or domestic consumption. Although Belgian consumption of fruit juice is growing slowly, approximately 2 percent per year, the market for not-from concentrate (NFC) juice is increasing. Still a niche market, sales of NFC juices account for less than five percent of total juice sales. However, there is strong potential for growth in this sector. Citrus (orange and grapefruit) account for the majority (60 to 80 percent) of NFC juice sales, however, juice blends are growing in popularity. NFC juices have a high quality image in Belgium and, at retail, sell for three to four times the price of juices made from concentrate.

DATA TABLE

	1997	1998	1999
A. Total Market Size			
-in Metric tons-	161,512	198,496	200,000
C. Total Local Production	105,000	105,000	105,000
D. Total Exports	386,304	519,844	520,000
E. Total Imports	442,816	613,340	615,000
F. Total Imports from U.S.	118,379	119,139	125,000

COMMENTS:

- B. Market size is derived from trade data and production data.
- C. Since official production figures are unavailable, the figures found below have been calculated by the office of Agricultural Affairs based on the average per capita consumption of all juices.
- F. Mainly citrus juices

Data for 1999 included in this chart are estimates

Source of trade data: Belgian Office for Foreign Trade/National Bank of Belgium.

VI. TRADE REGULATIONS AND STANDARDS

Trade Barriers

Belgium maintains an excellent and open trading climate for American companies, and government leaders at all levels are very supportive of free trade. That does not, however, always translate into a commercial environment that is easy for an American company to understand or operate in. As a result, American companies do sometimes encounter trade problems. These problems often result from the Belgian penchant to compromise and avoid confrontation. They also sometimes result from the unclear division of

responsibilities among local, regional and federal authorities. This lack of clear responsibility can lead to bureaucratic delays and inaction. It can also lead to inconsistent legislation and implementation. Nevertheless, Belgium offers an excellent commercial environment for American companies.

Effects of the Single Market:

Belgium is a member of the EU (European Union) single market, comprising some 370 million consumers. As a consequence, it participates in the process of developing or implementing harmonized product standards applicable in all 15 member nations. As of January 1, 1993, the EU in theory became borderless, allowing for the free movement of goods and services between member nations. There are common duty rates among all EU members on products imported from non-EU countries. VAT (Value Added Tax) rates are also in the process of being harmonized among the fifteen members. However, this effort might not be realized in the near future. Nevertheless, American companies should consider further developments as features that facilitate their access to the EU single market. Harmonized standards (to a certain extent), duties, VAT, etc., ease the process of doing business in a regional market.

On the other hand, American companies must also remember that the EU single market continues to consist of fifteen different and unique markets. For example, the single market does not eliminate language and cultural differences between national markets, nor does it eliminate differences in consumer buying patterns or distribution channels. Few distributors have the capability to effectively distribute a product or service in all fifteen member states. This problem is compounded by the legal differences in the treatment of agents and distributors between the EU members.

Most American firms should therefore consider maintaining a number of distributors in Europe. It is also vital to obtain sound legal advice in each country. This need to support multiple strategic and marketing programs will certainly limit the benefits that a company would hope to accrue from the EU single market.

For an explanation of the European Union and its governing European Directives (laws) please refer to Section II Economic Trends and Outlook, and the European Union Commercial Guide.

Government Procurement of Goods and Services

The EU has adopted several directives covering public supplies and public works. These include the sectors of energy, water, telecommunications, and transport (the so-called "utilities" or "excluded sectors" directive). However, Belgium's implementation of these directives has been slow and incomplete. Belgian public procurement is still characterized by:

- Poor public notification and procedural enforcement;
- An unofficial "buy local" policy; and
- Nontransparency throughout the procurement process.

In 1994, the government implemented a new law on government procurement to bring Belgian legislation into conformity with European Union directives. The revision has incorporated some of the onerous provisions of EU legislation, while improving certain aspects of government procurement at the various governmental levels in Belgium. The new law can only be evaluated

over time and its benefits will be heavily influenced by the way it is interpreted and implemented in Belgium.

Ecotaxes and Environmental Regulation

The Belgian government has passed a series of ecotaxes in order to redirect consumer buying patterns away from materials considered to be environmentally damaging. The "Green" parties won heavily in the recent elections, and will have an increasingly strong influence over environmental regulations. The new ecotaxes will, in all likelihood, raise costs for U.S. exporters, as they adapt to the phased-in implementation of these taxes. Environmental regulations in general are further complicated by the fact that various central government powers over the environment have been devolved to the three regions of Belgium. As a result, we are beginning to witness the inconsistent regulations or environmental standards among the regions.

Cattle Growth Hormone Ban

The EU bans imports of U.S. hormone-treated beef and all high-value products containing hormone-treated meat. This has led to the decrease in U.S. agricultural sales in member states of the EU, including in Belgium. The WTO's Dispute Settlement Body determined in February of 1998 that the hormone ban is not consistent with the EU's obligations under international trade agreements.

Customs Valuation

As a member of the EU, Belgium applies the EU common external tariff to goods imported from non-EU countries. For goods imported into Belgium from other EU countries, no customs duties apply unless the goods were imported from outside the EU and customs duties had not already been paid in another EU country. These duties are based on the price paid for the goods, most often this is the invoice price. Freight and insurance charges to the EU frontier, cost of assistance given to the supplier, and royalties or license fees paid for the goods are then added to the price. Certain costs that are not dutiable include buying commissions, the cost of installing goods after importation, and payments for the right to produce or distribute the goods after importation.

The EU is currently considering a change in its method of calculating the customs values of imported goods. Current EU customs valuation rules provide that, where there is a "chain of sales" leading to the importation of goods into the EU, the price paid in any of these sales can be used as the basis for establishing the customs value of the goods in question. The proposal under discussion would require that the customs value be based on the final sale price only. If adopted, many U.S. multinationals exporting to the EU through a "chain of sales" would find that EU customs officials assign their products a higher customs value than that of the first EU port of entry. U.S. companies should follow this development carefully through their customs broker since its implementation would necessitate considerable adjustments in operations for major U.S. exporters to Europe.

Goods imported into Belgium or made in Belgium are normally subject to Value Added Tax (VAT). Value Added Tax is levied on the value that is added to the goods or services at each stage in the production and distribution process. This process works by having a tax levied at each point en route, as ownership passes from one person to another. At every stage, an 'output' tax

is charged on the current sales value, but the 'input' tax which has been charged by those at an earlier stage of the game can be offset or recovered. Thus the tax liability at each stage is based on the difference between the value of the outputs and the value of the inputs (hence 'added value'.)

VAT is payable upon importation if Belgium is the destination of the goods being shipped into the EU. One of three rates will apply:

- 6 percent - daily necessities, food stuffs, etc;
- 12 percent - tobacco, fuel, etc.; and
- 21 percent - majority of commercial items

VAT it is applied after all customs duties are added to the price of the goods. Since EU products are not liable for customs duties, the effective VAT rate for non-EU goods is actually higher than the rates cited above.

Import Licenses

Many products may be imported or exported without any prior license, but certain listed products and products from certain countries are subject to an import license. An application for such a license must be made with the Office of Quotas and Licenses (OCCL/CDCV). Strategic goods are also subject to an import and/or quota license. A list of products subject to quotas or licenses can be obtained either from the office of the OCCL/CDCV, by contacting a Belgian customs broker directly, or via an American broker.

Ministry of Economic Affairs
Office of Quotas and Licenses (OCCL/CDCV)
Rue Général Leemans, 60
1040 Brussels, Belgium
Tel: 32/2/230-5805
Fax: 32/2/230-8322

Export Controls

Selling into Belgium

The Bureau of Export Administration (BXA) is responsible for the licensing of exports out of the United States. There is no longer a distinction between validated licenses and general licenses - either you need a license or you do not need a license (NRL - No License Required). An export license is required for reasons of national security, foreign policy, and short supply. Form 748P, obtained at your local Department of Commerce office, should be submitted to the BXA to determine your license requirements. More information on the Bureau of Export Administration can be found at its website at www.bxa.doc.gov.

Selling out of Belgium

Belgian controls apply to the export and re-export of military (conventional weapons) and dual-use items, as well as materials for weapons of mass destruction. Belgian companies send all applications for export and re-export to the Office of Quotas and Licenses in the Ministry of Economic Affairs. At that point, the process varies depending on whether the export is a conventional weapon/dual use item or a nuclear-related item.

If the item is a conventional weapon or dual use item, the Office of Quotas and Licenses will first determine whether, based on law and its experience, it will approve the item for export. If the Office makes an initial approval, it then sends the request for further approval to one of two federal ministers depending on the location of the Belgian company involved in the export. Once approved or disapproved by the respective ministry, the applications are returned to the Office for final disposition.

If the item is nuclear or nuclear-related, the application must be approved by the Minister of Economic Affairs, after consultation with and advice from the National Nonproliferation Board. The Board consists of representatives of five federal ministries, including Trade, Foreign Affairs, Health, Energy and Economic Affairs.

Import/Export Documentation

European Community Ministers agreed in 1991 to abolish virtually all customs documentation on goods moving between EU countries by January 1, 1993. However, countries outside the EU are still required to obtain proper customs documentation. The following is a summary of the documentation needed for U.S. exporters of goods to Belgium. However, such information can change overnight. U.S. exporters should always consult a reputable freight forwarder regarding recent changes in customs documentation and import/export regulations.

Shipping Documents

The following are the documentary requirements American exporters must meet when shipping to Belgium: mail and parcel post shipments require postal documentation in place of bills of lading. Air cargo shipments require airway bills (in place of bills of lading) with the number of copies issued based on the requirements of the importer and the airline used. IATA and/or ICAO (plus all other applicable national and/or international) regulations governing labeling and packaging of dangerous and restricted goods should be followed. This also applies to the issuance of the special shipper's certificate required under IATA rules for such items (airlines will supply this form). ICAO rules may also require documents covering such shipments (airlines will supply information and forms if required). U.S. exporters must also follow U.S. government requirements regarding export control documents, including the shipper's export declaration.

Consular/Customs Invoice

Neither document is required in Belgium.

Commercial Invoice

The commercial invoice (in triplicate and with no requirements as to form), must contain the following: date and place of shipment; name/firm's name and address of seller and buyer; mode of transport; number, kind and markings of the packages and their numerical order; exact description of goods - a customary commercial description according to kind, quality, grade, weight (both gross and net, in metric units), etc., with special emphasis to be placed on any factors which increase or decrease the value of the goods; agreed price of goods - unit cost, total cost F.O.B. factory plus shipping, insurance and other charges; delivery and payment terms; country of origin of

goods; and the signature of the exporting firm. It is useful if the commercial invoice contains the HTS code (Harmonized Tariff Schedule). This is not mandatory, but helps customs authorities to recognize the commodity and properly classify it for customs purposes. The first four digits of the eight-digit code are harmonized worldwide. Additional information may be requested by the importer, under terms of a letter of credit, or due to the nature of a particular trade.

Pro-forma Invoice

A pro-forma invoice is acceptable in lieu of a commercial invoice. It should include a complete description and value of the goods shipped. It is mostly used in cases where no actual invoicing between the shipper and the consignee exists.

Bills of Lading

Generally, "To Order" bills are acceptable. Bills of lading should bear the name of the party to be notified. The consignee needs the original bill of lading to take possession of the goods. Express bills of lading are also acceptable. These Bills of Lading help speed up the process in cases where banking is not necessary. With an express bill of lading, goods are automatically transferred to the designated consignee without presentation of the original Bill of Lading. This is ideal for internal company shipments of goods sold on open account.

Packing List

This is not a mandatory document. However, including a packing list should facilitate customs clearance of goods.

Certificate of Origin

A certificate of origin is not, as a general rule, required under Belgian regulations for imports from the U.S. except when the certificate is specifically demanded in the import license. Sometimes certificates of origin are requested by the importer, bank, or required by a letter of credit clause. Where necessary, there are no regulations concerning the form and preparation of the certificate, but the data it contains has to be certified by a Chamber of Commerce, which will probably require an additional notarized file copy. Under EU regulations, certificates of origin may be required for stipulated goods, including goods subject to surveillance and/or quota requirements. Although, for companies dealing in textiles and computer products, a certificate of origin is almost certain to be required. Importers will instruct their suppliers when certificates of origin are to be issued in such circumstances.

Insurance Certificate

Normal commercial practices pertain. Follow the instructions of the importer and the insurance company.

Steamship Company Certificate

There are no known requirements.

Import License

The vast majority of goods from the U.S. do not require an import license (as long as the importer is Belgian).

U.S. Shippers Export Declaration

This is required if the value of the shipment is more than \$2,500 (\$500 for shipments through the U.S. postal service) or where a validated license is needed. The \$2,500 exemption (\$500 for shipments through the U.S. postal service) applies to goods under each schedule B number in a single shipment from one exporter to one importer.

Consular Fees

There is no known general requirement to have documents legalized. If requested to legalize a shipping or legal document, Belgian officials will usually do so at no cost or for a nominal sum. Please verify the policy of the consular office used regarding this matter.

Temporary Entry

Legislation exists that exempts goods brought into Belgium for re-export, from import duties and Value Added Tax. Such goods must be kept in a bonded warehouse until they are re-exported. The shipment does not have to be re-exported in total. The portion of the shipment destined for the local or EU market is liable for duties and VAT at the time when the importation takes place. Additionally, goods may be sorted, repacked and re-labeled in bonded warehouses. Many customs clearing agents in the main ports and airports are able to provide these services within bonded warehouses.

For temporary entry of goods, Belgium accepts an ATA Carnet. An ATA Carnet is an international customs document that simplifies Customs procedures for the temporary importation of commercial samples, professional equipment, and goods for exhibitions and fairs. The Carnet facilitates international business by avoiding extensive Customs procedures, eliminating payment of duties and value-added taxes (minimum of 20 percent in Europe) and eliminating the purchase of temporary import bonds. The document is valid for up to one year, and can be used for multiple shipments between the United States and Belgium. The United Council for International Business has been designated by the U.S. Treasury Department as the sole issuer and guarantor of ATA Carnets in the United States. For more information, visit the United States Council for International Business at www.uscib.org/carnet/carnet.htm or call 1-800-5-DUTYFREE or 212-354-4480.

Labeling, Packaging Requirements

Until recently, each EU country regulated its domestic industries for packaging and labeling. As part of the EU's 1992 single internal market program, the EU is now attempting to remove technical barriers by harmonizing existing European legislation and establishing new rules, where necessary, so that goods sold in one EU country can be marketed easily in any other EU country. However, differences still exist from country to country. In addition, national requirements exist side by side with EU-wide requirements. The following is a review of packaging and labeling regulations in Belgium affecting U.S. exporters. The review covers both national and EU-wide aspects of packaging and labeling in Belgium.

What Language to Use

Probably the most frequently asked question regarding packaging and labeling in Belgium is "what language am I required to use?" Belgium recognizes three official languages: Dutch, French and German. The prevailing Belgian law simply requires that consumers of the targeted market must be able to read the product information. Typically, this has been Dutch in the northern half of Belgium (Flanders), French in the southern half of Belgium (Wallonia) and German in two small communities of German-speaking Belgians on the Belgian-German border. Generally, both Dutch and French appear on all products sold in the Belgian market and should be considered the most judicious option for all newcomers. The language requirement is enforced rather liberally. For example a judge in the Flemish city of Mechelen ruled in favor of a German company that resisted labeling its product in Dutch, as he deemed the local populace to be sufficiently well versed in German.

Labeling and other requirements

With only minor exceptions, there are no general labeling requirements on Belgian imports. Requirements for specific products should be obtained from the importer. Certain commodity imports, including numerous food items, are subject to special labeling regulations that require one show the manufacturer, composition, content (in metric units), and country of origin. These special detailed and diverse regulations largely relate to health and quality standards, and are embodied in formal Belgian legislation and in EU directives. Given the complexity of this field, information should be requested from the importer prior to shipment.

Prohibited Imports

Few products are prohibited from importation into Belgium. Among these limited items are endangered species, including those listed in the CITES convention. Also prohibited from importation are weapons such as sword-sticks, daggers, bludgeons, and rifles above 20 caliber and antipersonnel mines. American-raised beef treated with hormones also may not be imported under EU regulations. As the list of prohibited items is subject to change, please contact the American Embassy in Brussels for the latest information.

While the list of prohibited items is small, many products are subject to strict licensing and control. Belgian customs brokers or the American Embassy in Brussels can provide additional information.

Listed below are Belgian government offices that can provide information on specific restrictions and control measurements:

Products that are subject to import restrictions

Ministry of Economic Affairs
Office of Licensing
Generaal Lemanstraat 60
1040 Brussels, Belgium
Tel: 32/2/206-58-11
Fax: 32/2/514-03-89

Agricultural products that are subject to an import certificate:

Belgian Bureau for Intervention and Resitution
Trierstraat 82
1040 Brussels, Belgium
Tel: 32/2/287-24-11
Fax: 32/2/230-25-33
Or 280-25-33

Regulation concerning the marketing of wine:

Ministry of Economic Affairs
Office Economic Inspections
WTC III - Simon Bolivarlaan 30
1000 Brussels, Belgium
Tel: 32/2/208-36-11
Fax: 32/2/208-39-15

Country of Origin Certificate for the import of textile products:

Ministry of Economic Affairs
Office of Economic Licensing
Generaal Lemanstraat 60
1040 Brussels, Belgium
Tel: 32/2/206-58-59
Fax: 32/2/206-57-71

Import of vegetable products (vegetables, fruit, plants):

Ministry of Agriculture and Middleclass
Phytosanitary Services
WTC III - Simon Bolivarlaan 30
1210 Brussels, Belgium
Tel: 32/2/208-32-11
Fax: 32/2/208-37-05

Wild animals and plants (and parts and products):

Ministry of Agriculture and Small and Medium Enterprises
Office of Animal Health and Quality of Animal Products
WTC III - Simon Bolivarlaan 30
1210 Brussels, Belgium
Tel: 32/2/208-32-11
Fax: 32/2/208-36-12

Ministry of Agriculture and Small and Medium Enterprises
Phytosanitary Services
WTC III - Simon Bolivarlaan 30
1210 Brussels, Belgium
Tel: 32/2/208-32-11
Fax: 32/2/208-37-05

Animal food products:

Ministry of Health
Institute for Veterinary Inspection
Wetstraat 56
1040 Brussels, Belgium
Tel: 32/2/287-02-11

Fax: 32/2/287-02-01

Other food:

Ministry of Health
General Food Inspection
R.A.C. - Esplanadegebouw
Pachecolaan 19, bus 5
1010 Brussels, Belgium
Tel: 32/2/210-48-43
Fax: 32/2/210-48-16

Product safety:

Ministry of Economic Affairs
Office Quality and Safety
North Gate III, Bat. E.
E. Jaqmainlaan 154
1000 Brussels, Belgium
Tel: 32/2/206-48-52
Fax: 32/2/206-57-52

Live animals and other animal products:

Ministry of Agriculture and Small and Medium Enterprises
Office of Animal Health and Quality of Animal Products
WTC III - Simon Bolivarlaan 30
1210 Brussels, Belgium
Tel: 32/2/208-32-11
Fax: 32/2/208-36-12

Import of narcotics and psychotropic substances:

Ministry of Health
Drug Division
R.A.C. - Vesaliusgebouw, 340
Oratorienberg 20
1010 Brussels, Belgium
Tel: 32/2/210-49-26
Fax: 32/2/210-63-70

Waste products:

Ministry of Health
Risk Control
R.A.C. - Vesaliusgebouw, 2/3-04
Pachecolaan 19 - bus 5
1010 Brussels, Belgium
Tel: 32/2/ 210.49.75
Fax: 32/2/ 210.59.27

Weapons:

Ministry of Justice
Administration of Weapon Licensing
115, Boulevard de Waterloo
1000 Brussels, Belgium

Tel: 32/2/542-65-11
Fax: 32/2/542-70-34

Explosives:

Ministry of Economic Affairs
Administration of Mining
E. Jaqmainlaan 154
1000 Brussels, Belgium
Tel: 32/2/206-48-01
Fax: 32/2/206-57-51

Standards

The importance of ISO (International Standards Organization) 9000 in selling to Europe:

Simply put, ISO 9000 (EN 29000 in Europe; ANSI/ASQC Q 90 System in the U.S.) defines the basic requirements for a manufacturing quality control system. It includes documentation, controls, and worker training. Its aim is to ensure that a manufacturer's product will remain the same regardless of when it is taken off the production line. In other words, ISO 9000 is designed to ensure a consistent level of product quality. ISO 9000 standards are unlike engineering standards, which contain units of measurement, test methods and specifications. Rather, ISO 9000 standards encompass certain generic management practices designed to benefit both the producer and end user.

In today's marketplace, quality is a competitive advantage. According to 1993 statistics, some 50,000 EU companies now have some form of ISO 9000 registration. While voluntary, European manufacturers are increasingly requesting that their suppliers be ISO 9000 registered. In addition, more and more European importers are making the same request of their European and American suppliers. Although the ISO 9000 simplifies matters, the registration process is not cheap and market demands for registration varies across product and service sectors. It is important to note that ISO 9000 registration does not guarantee quality since it is more concerned with product consistency than product quality. It also does not ensure that a U.S. product will meet the various standards incorporated into EU directives covering a host of products.

Product and technical standards

There are a number of EU, and member-state, standards governing various product categories, as well as health and safety standards that encompass many product categories. When considering the Belgian and broader European market, a U.S. company needs to consider which mandatory product standards may apply to its products or services. An importer is one source for acquiring this information, at least in the initial inquiry stages.

Recycling, packaging and waste management

An EU proposal adopted in early 1995 has two objectives: first, to harmonize European packaging standards and symbols to facilitate the free flow of goods within the community and, second, to maximize the environmental benefits of various national waste management systems by increasing the level of coordination among them. To attain these objectives, the Directive establishes:

- Recovery and recycling targets;
- Requirements and conformity symbols for packaging; and
- Broad criteria for national waste management systems.

The Directive is based on a prevention-first, recovery-second, and disposal-last approach. It mandates that, within 5 years after the passage of the directive, the EU member states must recover (defined to include recycling, composting, and waste-to energy recovery) a minimum of 50 percent by weight of all packaging waste, with at least 25 percent recycled. More important, the Directive sets maximum targets for recovery of 65 percent and 45 percent for recycling.

The Directive includes a clause enabling Member States to pursue higher targets, provided they comply with a number of conditions, and in particular that their policies should not hinder the introduction of similar policies in other Member States. To allow for existing special circumstances, some countries are allowed additional time to attain the first stage targets.

Member states must take the necessary steps to set up return, collection and recovery systems so as to attain the objectives of the Directive. In accordance with the principle of subsidiarity, member states are free to develop their own management systems according to their national requirements and in accordance with the Treaty.

While U.S. exporters need not be concerned with the technicalities of the disposal methods, it is important that their products not be unfavorably biased by the legislation. The EU Directive specifies that, "these systems shall ensure the coverage of imported products under non-discriminatory conditions and shall be designed in such a way that there are no barriers to trade or distortion of competition." Regarding the obligation to take the packaging back, the EU Directive puts the onus on the waste management system, not specifically on manufacturers as is currently the case in Germany. In that respect, the U.S. Department of Commerce has been assured repeatedly by EU officials that U.S. exporters would not be required to take the packaging waste back to the United States. This would be consistent with the EU's "proximity principle."

Companies should note that in 1996 the European Commission drafted a proposal on marking products for recycling/reusability, however the adoption of the proposal has been delayed due to the fact that the ISO intends to propose its own plans for recyclability marking. The ISO proposal is expected to be finished by the end of 1999, if nothing is proposed by this time the EC expects to continue with its own proposed directive in early 2000. Therefore, while there presently is no requirement on these markings, there will be in the near future, therefore U.S. exports should be prepared to put EU Recycling marks on their products.

Electronic Waste

The European Union has now begun to draft proposals for legislation in the field of electronic waste. As with waste legislation in other areas, notably packaging, the impetus for the commission's initiative has come from existing or proposed, Member State legislation. It appears that this will again be true in the electronic waste sector. Currently there are two drafts for the regulation of the disposal of electronic waste: 1) Batteries, Accumulators, and end of Life Vehicles, and 2) Waste from Electrical and Electronic

Equipment (WEEE). Both drafts are currently pending legislation. For further information please consult the European Union Commercial Guide 2000.

Eco-labels

The Commission of the European Union has published the first ecological criteria for the award of the eco-label for washing machines, dishwashers, paper towels, toilet paper and soil improving products, as well as other materials designed to help applicants, kitchen rolls, single-ended light bulbs, paints and varnishes. The eco-label scheme, which is voluntary, will apply to all products except food, drink and pharmaceuticals. Council regulation no. 880/92 on a community eco-label award scheme provides for the establishment of ecological criteria for specific product groups to enable verification of the reduced environmental impact of qualifying products, based on analysis of the life cycle for the product, from manufacturing (including choice of raw materials) through distribution, consumption, and use, to disposal after use. The regulations require member states to designate competent bodies to assess applications for the eco-label based on these criteria. Manufacturers or importers in the community may apply for an eco-label only to the competent body or bodies designated by the member state in which the product is manufactured or first marketed, or into which the product is imported from outside the EU.

While currently voluntary, eco-labels may prove to be important marketing tools to consumers, as well as a requirement demanded by EU importers and end-users of American products.

The CE Mark in the European Union

The CE (Conformite European) mark is a European proof of conformity with the essential health, safety, and environmental requirements of the harmonized EU product safety directives. The mark indicates that the manufacturer has satisfied all the assessment procedures specified by law for its products. The CE Mark is not a quality mark and only signifies to surveillance authorities that the product is in compliance with the EU legislation. It is the accompanying declaration of conformity, which provides the details of the directive(s), to which the product complies and the standards that were relied upon in assuring compliance. The EU directives deal with large families of products or horizontal risks such as those addressed in the Electromagnetic Compatibility Directive. The following directives (with reference between brackets) have been adopted and are now enforced:

Low Voltage (73/23/EEC)
Simple Pressure Vessels (87/404/EEC)
Safety of Toys (87/378/EEC)
Construction Products (89/106/EEC)
Electromagnetic Compatibility (98/336/EEC)
Machine Safety (89/392/EEC)
Personal Protection Equipment (89/686/EEC)
Non-automatic Weighing machines (90/384/EEC)
Active Implantable Medical Devices (90/385/EEC)
Gas Appliances (90/396/EEC)
Telecommunications Terminal Equipment (91/236/EEC)
New Hot-water Boilers (92/42/EEC)
Explosives for Civil Uses (93/15/EEC)
Medical Devices (93/42/EEC)
Equipment for Explosive Atmospheres (94/9/EEC)

Recreational Craft (94/25/EEC)
In vitro Diagnostic Devices (98/79/EC)

Most of the directives above are amended by Directive 93/68/EEC entitled
"Rules for the Affixing and Use of the CE Conformity Marking."

For an explanation of the European Union and its governing European
Directives (laws) please reference Section II Economic Trends and Outlook,
and the European Union Commercial Guide.

Contact Information

For more information on Belgian and EU-wide packaging and labeling laws and
on standards, the following are key contacts in the United States and
Belgium:

In the United States:

- a. Office of European Union and Regional Affairs
U.S. Dept. of Commerce
Contact: Bob Straetz
Tel: (202) 482-4104
Fax: (202) 482-2897
- b. National Institute of Standards and Certification
Contacts: JoAnne Overman
Tel: (301) 975-4037
Fax: (301) 926-1559
- c. U.S. Trade Representative for Europe and the Mediterranean
USTR
Contact: Jim Murphy
Tel: (202) 395-3020
Fax: (202) 395-3911
- d. Director, Technical Trade Barriers
USTR
Contact: Suzanne Troje
Tel: (202) 395-3063
Fax: (202) 395-3911
- e. Office of EU and Regional Affairs,
of the International Trade Administration
U.S. Dept. of Commerce
Contact: Paul Dacher
Tel: (202) 482-6008
Fax: (202) 482-2897

In Belgium:

- f. U.S. Commercial Service
U.S. Embassy
Contact: George Knowles, SCO
Reginald Miller, Commercial Attaché
Tel: (322) 508-2425
Fax: (322) 512-6653

- g. U.S. Commercial Service
U.S. Mission to the European Union
Contacts: Kenneth Moorefield, SCO
Suzanne Sene, Standards, CE marks
Stewart Ballard, Commercial Attaché
Tel: (322) 508-2674 or 2755
Fax: (322) 513-1228
- h. Belgian Standards Institute
Avenue de la Brabançonne, 29
1000 Brussels
Contact: Mr. P Croon, Director
Tel: 32/2/734-9205
Fax: 32/2/733-4264

Additional information is available electronically. The following is a list of useful Web sites:

- European Union server home page: <http://europa.eu.int>
- Updated list of Open Information Interchange Initiative Standards and Specification List: <http://www2.echo.lu/oii/en/oiistand.html>
- New Approach Directives reference to harmonized standards: <http://www.EU.be>
- American National Standards Institute home page: <http://www.ansi.org>
- US Embassy Belgium website: <http://www.us.-embassy.be>

Free Trade Zones/Warehouses

While Belgium has no free trade zones, it does have bonded warehouses located near the main port of Antwerp and the national airport north of Brussels. In addition, with the authorization of the customs authorities, a U.S. firm may create a private bonded warehouse and thereby delay and even avoid payment of customs duties (in the case of re-exports outside the EU). Goods may remain in such warehouses for up to one year, with duties and VAT payable only upon sale within Belgium or in cases of re-export to other countries within the EU. A bank guarantee and certain reporting requirements are necessary to operate such a facility, and there are other stipulations governing such a warehouse.

Special Import Provisions

Following intensive lobbying from the major plastics, packaging and distribution companies, as well as from trade unions and some consumer groups, the government backed down from applying further eco-tax legislation in 1995. The proposed legislation could have had a powerful impact on production and distribution costs and labor levels. The only eco-taxes currently in force apply to disposable cameras, razors, and batteries.

In 1995, fifty-three companies created FOST PLUS, a non-profit organization designed to address the problem of reducing all forms of packaging waste. FOST PLUS is a not-for-profit organization with 700 members from the distribution and manufacturing sectors. Its purpose is to assist in the enforcement of EU Directive 94/62 on recycling packaging, which, in turn, provides its members a means for avoiding ecotaxes. FOST PLUS gives companies the option to recycle packaging themselves or adhere to FOST PLUS as a substitute. In the case of beverage containers, the alternative for non-

recycling is an ecotax of BF 15 (50 cents per bottle or can). As a result, all Belgian beverage manufacturers now adhere to FOST PLUS.

The members of FOST PLUS include producers and importers of packaging, packaging materials and packaged products, distribution companies and federations. It has the task of coordinating the selective collection and sorting of domestic packaging waste in the three regions of Belgium. The aim is to extract value from the waste by recycling it, making use of it to produce other materials or disposing of it in various energy recovery methods. In addition to FOST PLUS, another organization had been established for the purpose of industrial waste reclamation. VAL-I-PAC as established in early 1998, and like FOST PLUS, VAL-I-PAC is responsible for the collection and valorization of industrial packaging waste.

Membership in Free Trade Arrangements

Incorporated into the charter of the European Union is a law modeled on its U.S. counterpart. Basically, any specific legislation not ratified by the EU will be left to the member countries to implement as they see fit. While recent EU legislation does not conflict with what is being brought into law in Belgium, it is important to be aware of impending EU regulations as they may override local Belgian laws.

VII. INVESTMENT CLIMATE

Introduction

Belgium has a number of location-bound factors that have been at the basis of its attractiveness for foreign investors. The country has enjoyed competitive advantages such as excellent transport infrastructure, a geographic position as center of the European Union, high-quality industrial sites, and a skilled and productive workforce. Belgium is not only the political center of Europe, but is a commercial center as well. It is home to some twelve hundred U.S. companies. Geographically, Brussels lies within a 600-kilometer radius of 70 percent of the European Union; Belgium therefore provides an excellent base for reaching the increasingly integrated European market.

In the past year, however, information obtained by the Embassy from U.S. Investors and a foreign investment study commissioned by the American Chamber of Commerce (AmCham) indicate concern that a number of factors are eroding Belgium's attractiveness for American companies. Major concerns to U.S. subsidiaries in Belgium have been articulated in a "Foreign Investor's Agenda" prepared by the AmCham. High labor costs and social contributions, inflexible labor regulations, high taxation levels, costly work hiring practices and a perceived lack of consistency in the government's tax policies are cited as key issues.

Openness to Foreign Investment

Belgium has traditionally maintained an open economy, highly dependent on imports and international trade for its wellbeing. Since World War II, foreign investment has played a vital part in the Belgian economy, providing much technology and employment. Both the federal and the regional governments encourage foreign investment on a national treatment basis.

Foreign corporations in Belgium account for about one-third of the top 3,000 corporations.

Takeover Legislation

Belgium, like the United States, has a takeover law which requires all owners of five percent or more of a corporation's total voting stock to notify both the Ministry of Economic Affairs and the Banking and Finance Commission (Belgium's equivalent of the U.S. Securities and Exchange Commission). For each additional ownership increment of five percentage points, further disclosures are required. In exchange for this enhanced protection against raiders (who can no longer operate anonymously), all companies listed on the Brussels Stock Exchange are required to provide detailed information on their corporate ownership structure to the banking and finance commission. In a takeover bid or public offer, the bidder must file with the banking and finance commission a statement revealing its own financial credentials in combination with the details of the deal. Under European Union (EU) law, very large mergers (\$3 billion or more in combined turnover) must be approved by the EU commission (Directorate General for Competition Policy). Belgian corporate legislation was changed in 1990 to prevent golden parachutes as well as poison pills and other techniques used to block corporate raiders. In 1997, the federal government introduced legislation regarding "corporate governance." This legislation aims to provide some autonomy to corporate boards of companies whose controlling shareholder is itself taken over by a foreign firm which is a competitor. However, in the June 1998 case of the hostile takeover bid by ABN AMRO bank of the Belgian Generale de Banque, the Commission for Banking and Finance was characterized by the Belgian financial press as not being impartial, with principles of corporate governance having been set aside in favor of certain controlling shareholders.

Screening

Belgium has no foreign investment screening mechanism, although the government, as majority shareholder, controls investment in public-sector firms. Investment restrictions that do exist, such as the law requiring local approval for large-scale retail outlets, do not discriminate between Belgian and non-Belgian firms. However, several American companies have been frustrated in their investment plans in Belgium because of this law.

National Treatment

Belgium generally provides national treatment to foreign investors. However, the establishment of an insurance company or travel agency is subject to reciprocity. A few sectors require majority Belgian (or EU) ownership: aviation, inland shipping, and the ownership of Belgian-registered ships. Public works (when at least 25 percent of the cost is paid by Belgian public authorities) are restricted to Belgian and EU firms. Private or public monopolies exist in the following sectors: postal services, the national railways, airport operation, and local public transport.

Privatization

In 1998, the federal government raised approximately BF 50 billion (\$1.4 billion) from the sale of public sector assets, against BF 35 billion (\$1 billion) in 1997. Both in the preparatory and in the final stages of privatization operations, foreign investors have been allowed to participate. In the telecommunications sector, however, U.S. companies have complained

about a lack of legislative transparency, interconnect rates that favor the former government-owned monopoly and lack of independence of the regulator.

Conversion and Transfer Policies

Payments and transfers within the Belgian-Luxembourg economic union (BLEU) and with foreign countries require no prior authorization. Transactions may be executed in Belgian or Luxembourg francs as well as in other currencies.

The Belgian franc is fully convertible, with no restrictions on either inward or outward current and capital account transactions. On May 1, 1998, Belgium became one of the 11 EU member states that agreed to form a de facto currency union (European Monetary Union) with a single currency, the Euro. On January 1, 1999, exchange rates were irrevocably fixed among Euro zone currencies, with 1 Euro equal to BF 40.3399. Gradually, all transactions will be transformed into Euro-denominated operations, a process that will be completed by January 1, 2002. Euro coins and bank notes will be introduced in early 2002. The Belgian government will seek to minimize the period during which both Euros and Belgian francs will be in circulation jointly.

Belgium has no debt-to-equity requirements. Dividends may be remitted freely, except in cases in which distribution would reduce net assets to less than paid-up capital. No further withholding tax or other tax is due on repatriation of the original investment or of the profits of a branch, either during its operations or upon the closing thereof.

Expropriation and Compensation

There are no outstanding expropriation or nationalization cases in Belgium with U.S. investors. There is no pattern of discrimination against foreign investment in Belgium.

When the Belgian government does use its eminent domain powers to compulsorily acquire property for a public purpose, adequate compensation is paid to the property owners. Recourse to the courts is available if necessary. The only expropriations that occurred during the last decade were related to infrastructure projects such as port expansion, roads and railroads. In the future, expropriations to make place for nuclear waste storage are also expected, but the sites will not be near areas of existing economic activity.

Dispute Settlement

Only one recent investment dispute involved an American company. A U.S. chemical firm opened a plant in Belgium dependent on a neighboring non-U.S. plant for inputs and as a customer for a major by-product. When the neighboring plant's environmental permit was not renewed, the U.S. company had no option but to close its own plant. It has since been involved in a lawsuit with the Flemish administration over investment incentives and the losses connected with the plant closure.

Belgium's legal system is independent of the government and is an effective means for resolving commercial disputes or protecting property rights. As in many countries, the Belgian courts labor under a growing caseload. Backlogs in the Belgian court system seem to make delays almost inevitable. There are several levels of appeal.

Bankruptcy in Belgium is covered by a law of 1851 and is under the supervision of the commercial courts. Bankruptcy applies only to businesses, not to individuals, and may be initiated by a creditor or the company. The commercial court appoints both a judge-auditor to preside over the bankruptcy proceeding and a receiver responsible for realizing the available assets to pay creditors. Belgian bankruptcy law recognizes several classes of preferred or secured creditors. Judgments in commercial cases, including bankruptcy cases, are generally made in Belgian currency. Belgium has a system under which firms in difficulty can restructure their debts through agreement with their creditors. This system is in some respects similar to chapter 11 in the U.S.

The government accepts binding international arbitration of disputes between foreign investors and the state; the most recent example being the international arbitration between the Belgian government and Sonatrach, the Algerian gas company.

Belgium is a member of the International Center for the Settlement of Investment Disputes (ICSID) and regularly includes provision for ICSID arbitration in investment agreements.

Performance Requirements and Incentives

Since the law of August 1980 on regional devolution in Belgium, investment incentives are the responsibility of Belgium's three regions: Brussels, Flanders, and Wallonia. Most tax measures designed to attract new investment, however, remain under the control of the federal government. In general, all incentives, regional or national, are available to foreign and domestic investors alike. Belgian investment incentive programs at all levels of government are limited by EU regulations and thus are kept in line with those of the other EU member states. The European Commission has tended to discourage investment incentives, in the belief that they distort the single market, impair structural change, and threaten EU convergence and social and economic cohesion. Belgium has historically been ranked near the top of the EU in industrial subsidies, including investment incentives.

In their investment policies, the regions have put new emphasis on meeting general objectives such as promoting innovation, research and development, energy saving, environmental cleanliness, exports, and most of all, employment. In order to provide coordinated service to foreign investors, the Belgian government established a Federal Agency for Foreign Investors (FAFI) in 1996 at the Ministry of Economic Affairs. This agency is very controversial with the regions, however, who have their own investment agencies and prefer that FAFI keep a low profile. In addition, the Finance Ministry has established a foreign investment tax unit to provide assistance to foreign investors in dealing with Belgian tax laws and to make the tax administration more "user friendly" for foreign investors.

Performance requirements in Belgium usually relate to the number of jobs created. There are no known cases where export targets or local purchase requirements were imposed. The government may reclaim incentives if the investor fails to meet his employment commitments. Enforcement, however, is rare. In one case, the Flemish administration sued an American firm to recover incentives after the firm was forced by environmental regulations to close its plant. The case remains before the courts.

Notwithstanding the devolution of investment subsidies to the three regions, the federal government still controls tax policy, including special tax deductions for certain types of investment: development zones, new venture capital companies, coordination centers, distribution centers, and, most recently, service centers.

Coordination Centers

Coordination centers serve companies of an international group and can perform various financial and other services such as financing, leasing, netting, re-invoicing and factoring, as well as administrative and support services. A center consists of affiliated companies maintaining at least a 20 percent direct or indirect participation in one or more other companies under common agreement. Coordination centers are granted special tax status for a period of 10 years. They can be established as branches of foreign companies or as Belgian stockholding companies and can be located anywhere in Belgium. During the 10-year period, recognized coordination centers are taxed on national income calculated as between 8 and 12 percent of a center's incurred expenses. Salary costs and financing expenses are disregarded when determining the amount of expenses to which the percentage is applied. Coordination centers are also exempt from real estate taxes, withholding taxes on dividends, withholding taxes on interest, and registration taxes. Foreign employees of a recognized coordination center do not need a work permit or professional card in Belgium. There is one employment condition, however, the center should employ in Belgium at least ten employees within two years from the beginning of its activities. There are almost 400 recognized coordination centers in Belgium, many of them American-owned.

Development Zones

High-tech investments in depressed areas of the country are eligible for a 10-year tax holiday and certain exemptions concerning the personal income taxation of their foreign executives. High-technology investment is specifically defined to include advanced data processing, software technology, microelectronics including opto-electronics, office automation, robotics, telecommunications and bioengineering. An enterprise qualifying under this scheme must employ between 20 and 200 people and have its entire operation within the development zone. Furthermore, for a maximum of three tax years and for certain assets, companies can be authorized to apply a depreciation rate that is twice the straight-line depreciation.

Distribution Centers

Belgian tax authorities have also established a special tax regime applicable to Belgian distribution centers of foreign multinational enterprises, which meet certain conditions. Recognized Belgian distribution centers pay taxes on a fixed percentage (five-percent) of their operating costs. The newly established distribution center may operate as a branch of a foreign company or a Belgian subsidiary. No specific rules apply to minimum employment or turnover, in contrast with such rules for coordination centers. Qualifying distribution centers can realize significant tax savings.

Service Centers

New tax incentives, similar to those for distribution centers, were approved for service centers by the Belgian parliament in July 1996. The Belgian government issued a tax circular designed to extend the scope of the existing

incentives to intra-group service centers, including call centers, which are perceived as a major source of recent foreign investment. To qualify for the advantages of the new service center status, a number of conditions under the "corporate structure," the "intra-group condition" and the "authorized activities" must be met. Qualifying service centers must be established as Belgian resident companies. The definition of service centers only includes intra-group service centers. Interested parties will be able to obtain a tax ruling on transfer pricing for a five-year renewable period before the establishment of the service center. With respect to authorized activities, the center must be a purely operational, non-decision-making entity. Its role must be that of a mere "interface" between customers of the company and the companies of the group, or between companies of the group themselves. Any operation which, by nature, would tend to increase the turnover of companies in the group is automatically excluded.

General Tax Measures

A company may deduct from its taxable income a certain percentage of the amounts invested in new fixed assets used for business purposes in Belgium. The investment deductions only exist for R&D or energy-saving investments and for investments made by small and medium-sized enterprises. The percentage varies between 3 and 3.5 percent of all investments made. Furthermore, all companies are granted tax relief of BF 400,000 for each additional person employed in Belgium in scientific research, the development of technological potential, responsible for exports or for quality management. The American chamber of commerce has cited the level of taxation as a major concern to business. It has proposed a reduction of the corporate rate of income tax to 35 percent, a limit on the personal marginal tax rate of 50 percent and the abolition of a 3 percent crisis tax.

Non-Tariff Barriers

In Belgium, there are significant delays in providing market authorization and approval of pricing and reimbursement for new pharmaceutical products. U.S. companies are disproportionately affected by the procedural delays since they are among the most active in developing and bringing to market innovative new products.

Right to Private Ownership and Establishment

Both domestic and foreign private entities have the right to establish business enterprises. This right is well established in Belgium's constitution and in law. The right to acquire or sell interests in business enterprises is similarly protected by law.

No restrictions in Belgium apply specifically to foreign investors. Foreign interests may enter into joint ventures and partnerships on the same basis as domestic parties, except for certain professions such as doctors, lawyers, accountants and architects. All investors, Belgian or foreign, must obtain special permission to open department stores, provide transportation services, produce and sell certain food items, cut and polish diamonds, or sell firearms and ammunition.

There is competitive equality between public and private enterprises with respect to market access, credit and other business operations such as licenses and supplies.

Protection of Property Rights

Property rights in Belgium are well protected in law. The courts are independent and effective in enforcing property rights. Belgium generally meets very high standards in the protection of intellectual property rights. Rights granted under American patent, trademark, or copyright law can be enforced in the United States, its territories and possessions only. The EU, for its part, has taken a number of initiatives to provide intellectual property protection, but not all measures have been implemented. In cases of non-implementation, national laws still prevail.

Patents

Belgium is a member of the World Intellectual Property Organization (WIPO) and the European Patent Convention (EPC). Under Belgian law, national authorities automatically grant a patent for a period of six years upon application. Applicants desiring protection for twenty years must request a novelty and non-obviousness search together with their application. However, the Belgian patent office cannot refuse to issue a patent. A single European patent, valid throughout the EU, does not yet exist since the community patent convention has not yet come into force. In the meantime, the patent applicant can choose between a national and a multiple-country patent. In the latter case, a single application to the European patent office in Munich is required for obtaining patents valid in a number of countries within the EU, as well as Liechtenstein, Monaco and Switzerland. A patent thus granted will not be valid in Belgium unless a copy of the grant in one of Belgium's three official languages is filed with the Belgian office of industrial property described below.

Trademarks

An EU trademark office has been established in Alicante, Spain. Applications for EU trademarks should be directed to this office. Trademarks in Belgium are regulated by the uniform Benelux law of 1962, which offers protection in Belgium, the Netherlands and Luxembourg. An application for a trademark can be filed either with the Belgian national office in the ministry of economic affairs or with the Benelux trademark bureau located in the Netherlands (Bankastraal 51, The Hague). A search is required to ascertain the existence of a similar trademark for the same category of product. If granted, protection lasts for ten years from the date of application and can be renewed for further periods of ten years. Trademarks must generally be used within three years of registration.

Trademark Exhaustion

An EU directive regarding trademarks applies the principle of community exhaustion, under which parallel imports into the European community are prohibited without the approval of the trademark holder or his authorized distributor. Belgium and its Benelux partners previously applied the principle of universal exhaustion under which parallel imports were allowed. A few cases have reached the Belgian commercial courts, which have returned divergent opinions as to whether community exhaustion has replaced universal exhaustion in Belgium.

Copyrights

Belgium is a member of the Bern convention and the Universal Copyright Convention of Geneva (UCC). As a member of the UCC, to which the United States and 50 other countries belong, Belgium accords automatic copyright protection to works produced in other UCC countries. Protection exists for the life of the author, plus 70 years after death. In addition, Belgium has passed a revised copyright law in 1994, which brings Belgian practice into conformity with existing EU directives. EU directives, however, permit some variation among member states, and U.S. firms wishing to protect their copyrights in Belgium should consult local legal counsel. Neither the U.S. nor Belgium are parties to the Rome convention. National treatment of foreign rightholders is a basic principle, defined in the 1994 Belgian copyright law. However, if Belgian rightholders benefit from less generous protection in a foreign country, the principle of reciprocity applies to the citizens of that country. This is the case for the U.S., which does not grant protection of neighboring rights to Belgian artists or performers, nor to Belgian producers of records and movies. As a consequence, U.S. citizens in Belgium are subject to the same restrictions. According to the Business Software Alliance (BSA), about 36 percent of all software circulating in Belgium is used in violation of copyright laws; this is about average for the EU.

Designs

Applications for the registration of a design are filed with the Benelux office for designs and models or with the Ministry of Economic Affairs. The inherent validity of the design or model is not examined. This will only be decided by a court in the event of a dispute. Protection is granted for five years and is renewable twice.

TRIPS

Belgium has fully implemented the World Trade Organization (WTO) agreement on Trade Related aspects of Intellectual Property Rights (TRIPS).

Transparency of the Regulatory System

The Belgian government has adopted a generally transparent policy and effective laws to foster competition. Tax, labor, health, safety and other laws and policies to avoid distortions or impediments to the efficient mobilization and allocation of investment exist comparable to those in other European Union member states. Nevertheless, foreign and domestic investors in some sectors face stringent regulations designed to protect small and medium-sized enterprises. Many companies in Belgium also try to limit their number of employees to 49 -- the threshold above which a number of employee committees such as one for safety, and another one regarding trade union interests, have to be set up.

Furthermore, the federal government, recognizing there was a need to streamline administrative procedures in many areas, in 1998 set up a special task force to simplify official procedures. It also agreed to reorganize the numerous new laws regarding the telecommunications sector into one comprehensive volume, after new entrants in this sector had complained about a lack of transparency. The Belgian employers' Federation estimates the extra costs related to the latter at BF 5 billion per year. The American Chamber of Commerce has called attention to the adverse impact of cumbersome

procedures and unnecessary red tape on foreign investors, although foreign companies do not necessarily suffer more from this than Belgian firms.

Efficient Capital Markets and Portfolio Investment

Belgium has in place policies to facilitate the free flow of financial resources. Credit is allocated at market rates and is sufficient available to foreign and domestic investors without discrimination. Belgium is fully served by the international banking community and is implementing all relevant EU financial directives.

Because the Belgian economy is directed towards international trade, more than half of its banking activities involve foreign countries. Belgium's major banks are represented in the financial and commercial centers of dozens of countries by subsidiaries, branch offices, and representative offices. There are 83 banks in Belgium, including 18 branches of foreign banks. Belgium is one of the most heavily banked countries in the world. Mergers and acquisitions have been a prominent feature in the Belgian banking sector throughout the nineties. Belgium's three largest banks have combined assets of \$370 billion. The total assets of the banking system are approximately \$668 billion. The banking system is considered sound. The country's banks use modern, automated systems for domestic and international transactions. The Society for Worldwide Interbank Financial Telecommunications (SWIFT) has its headquarters in Brussels. Euroclear, a clearing entity for transactions in stocks and other securities, is also located in Brussels.

Belgium also has a well-established stock market, in fact, the first stock market ever was organized in Antwerp in the 14th century. A company may increase its capital either by capitalizing reserves or by issuing new shares. An increase in capital requires a legal registration procedure. New shares may be offered either to the public or to existing shareholders. Public notice is not required if the offer is to existing shareholders, who may subscribe to the new shares directly. An issue of bonds to the public is subject to the same requirements as those for a public issue of shares. The company's capital must be entirely paid up, and existing shareholders must be given preferential subscription rights.

Belgium is also home to the European Association of Securities Dealers Automated Quotation Exchange (EASDAQ), opened in 1996. Patterned after the American NASDAQ electronic exchange, EASDAQ is designed as a market for young, dynamic, fast growing European companies with international ambitions. As of mid-1999, EASDAQ had attracted 44 listings.

Inward portfolio investment is not impeded by any regulation or laws. Bonds exist in both bearer and registered form. The shares of Belgian listed companies may be bought and sold freely by foreign investors through the Brussels Stock Exchange (BSE) or through other European exchanges (notably London) which make a market in Belgian shares.

In Belgium, there are many cases of cross-shareholding and stable shareholder arrangements, but never with the intent to keep out foreign investors. Likewise, anti-takeover defenses are designed to protect against all potential hostile takeovers and not primarily foreign hostile takeovers.

Political Violence

There have been nine incidents of politically motivated damage to fast food chains (Belgian and others) in Belgium in the last three years. The perpetrators claimed to act on behalf of the Animal Liberation Front (ALF).

Corruption

On March 23, 1999, new anti-bribery legislation came into force in Belgium. The new law represents a complete revision of Belgian criminal law in the field of corruption, also extending the competence of Belgian courts to extraterritorial bribery. Henceforth, bribing international officials is a criminal offense in Belgium, even if done abroad. In the law, the definition of corruption is extended considerably. In the future, it will count as passive bribery if a government official or employer requests or accepts a benefit for himself or somebody else in exchange for behaving in a certain way. Active bribery is defined as the proposal of a promise or benefit in exchange for behaving in a certain way. In the past, anti-corruption law did not cover attempts at passive bribery. The most controversial innovation is the introduction of the concept of 'private corruption', i.e., corruption among private individuals. Corruption by public officials carries heavy fines and/or imprisonment between 5 and 10 years. Private individuals face similar fines and slightly shorter prison terms (between six months and 2 years). The new law is fully consistent with the EU convention criminalizing corruption within the EU territory signed in May 1997 and the OECD anti-bribery convention of December 1997. The new law not only holds individuals accountable, but also the company they are working for. Contrary to earlier legislation, payment of bribes to secure or maintain public procurement or administrative authorization through bribery in foreign countries is no longer tax deductible. Recent court cases in Belgium suggest that corruption is most serious in government procurement, defense contracting, and public works contracting. American companies have not, however, identified corruption as a barrier to investment.

The responsibility for enforcing corruption laws is shared by the Ministry of Justice through investigating magistrates of the courts and the Ministry of the Interior through the Gendarmerie, which has jurisdiction in all criminal cases. A special unit, the Central Service for Combating Corruption, has been created for enforcement purposes, but still lacks the necessary staff.

In a recent corruption case, eight persons were convicted, including a former defense minister. The court found that the minister's immediate staff (called the cabinet in Belgium) had ordered surveys and research projects from a research institute. The institute refunded part of its fees to the minister's staff, which used the money to pay the salaries of certain ministerial aides, and for campaign funds. The former minister was given a suspended two-year prison sentence, a BF 200,000 fine, and a five-year suspension of his civil and political rights.

The Court of Cassation (Belgium's highest court) has conducted an investigation into corruption cases regarding the 1988 Agusta helicopter contract and contracts won by the French Dassault enterprise in 1988 for the update of mirage fighters and for supplying electronic counter measures (ECM) equipment for Belgium's F-16 fighters. The investigation resulted in the conviction of ten high-ranking Belgian officials, the highest one being the former secretary general of NATO.

Criminality continues to be on the rise in Belgium: in 1997 (the last year for which official statistics are available), 2,816 burglaries (an increase

by 12 percent over 1996) were reported, as well as 38,851 car thefts (up 3.5 percent), 15,885 shoplifting cases (up 13.7 percent), 7,086 muggings (up 2.3 percent) and 845 hold-ups (up 34.9 percent). Although most of the above-mentioned crimes were non-violent, this trend, particularly the stark increase in hold-ups (violent by definition), has been a serious cause of concern to the Belgian authorities. Many American companies are factoring in the crime rate in their assessments to invest in Belgium.

Bilateral Investment Agreements

Belgium has bilateral investment treaties in force with Tunisia, Morocco, Indonesia, the Republic of Korea, Congo, Egypt, Romania, Singapore, Malaysia, Cameroon, Bangladesh, Sri Lanka, Rwanda, China, Hungary, Turkey, Malta, Poland, Bulgaria, Russia, Burundi, the Czech Republic, the Slovak Republic, Argentina, Vietnam, Cyprus, Uruguay, Chili and Latvia. Additionally, Belgium and Luxembourg have jointly signed (as the BLEU) as-yet-unimplemented agreements with Cuba, Bulgaria, Liberia, Mauritania, and Thailand. Belgium and Luxembourg also have joint investment treaties with Poland and Russia, but these are not BLEU agreements. All these agreements provide for mutual protection of investments.

OPIC and Other Investment Insurance Programs

Belgium, as a developed country, does not qualify for OPIC programs. Apparently no investment insurance programs for Belgium are operated by other countries.

Labor

The Belgian labor force is well trained, highly motivated and very productive. Workers have an excellent command of foreign languages, particularly in Flanders and the Brussels region. There is a low unemployment rate among skilled workers, such as local managers. Employers may hire Belgian or EU nationals. Non-EU nationals must first apply for work permits. Minimum wages vary according to the age and responsibility level of the employee and are cost-of-living adjusted.

Belgian workers are highly unionized (63 percent of the work force), and usually enjoy good salaries and benefits. According to a recent study, Belgian wage and social contributions, together with those in Germany, are among the highest in Western Europe. In recent years the unemployment rate as measured according to the EU's definition has gone down slowly (in early 1999 it was 8 percent, one percent below the EU average). High wage levels and pockets of high unemployment coexist because most of Belgium's long-term unemployed are virtually unemployable without major retraining -- their overall educational level is significantly lower than that of the general population. As a consequence of the high wage costs, over the years, employers have tended to invest more in capital than in labor. At the same time, a shortage exists for workers with training in computer hardware and software, automation and marketing. The resulting bottlenecks cause wage pressures.

Belgium's comprehensive social security package is composed of five major elements: family allowance, unemployment insurance, retirement, medical benefits and a sick leave program which guarantees salary in event of illness. Currently, average employer payments to the social security system stand at 35 percent of salary, while employee contributions comprise 13

percent. In addition, many private companies offer supplemental programs for medical benefits and retirement.

Belgian labor unions, while maintaining a national superstructure, are, in effect, divided along linguistic lines. The two main confederations, the Confederation of Christian Unions and the General Labor Federation of Belgium, maintain close relationships with the Christian Democratic and Socialist political parties, respectively. They exert a strong influence in the country -- politically and socially. A national bargaining process covers inter-professional agreements, which the trade union confederations negotiate biennially with the government and the employers' associations. In addition to these negotiations, bargaining on wages and working conditions takes place in the various industrial sectors and at the plant level.

Foreign firms, which generally pay well, usually enjoy harmonious labor relations. Nonetheless, problems can occur, particularly in connection with the shutting down or restructuring of operations. Many strikes are one-day symbolic actions, but longer industrial actions have occurred.

Firing a Belgian employee can be very expensive. An employee may be dismissed immediately for cause, such as embezzlement or other illegal activity; but when a reduction in force occurs, the procedure is far more complicated. For white-collar workers, the minimum standard is three months' notice or severance pay, or a combination of the two, for each five-year period or fraction thereof the employee has worked for the company. In the case of blue-collar workers, the minimum is four weeks' notice or the wage equivalent. Belgium is a strict adherent to ILO labor conventions.

In those instances where the employer and employee cannot agree on the amount of severance pay or indemnity, the case is referred to the courts for a decision. To avoid these complications, some firms consider providing for a "trial period" (of up to one year) in any employer-employee contract.

Belgium was one of the first countries in the EU to harmonize its legislation with the EU Works Council Directive of December 1994. Its flexible approach to the consultation and information requirements specified in the directive is more advantageous to foreign companies than that of other EU member states.

Foreign Trade Zones/Free Ports

There are no foreign trade zones or free ports as such in Belgium. However, the country utilizes the concept of customs warehouse. A customs warehouse is a warehouse approved by the customs authorities, where imported goods may be stored without payment of customs duties and vat. Only non-European Union goods can be placed under a customs warehouse regime. In principle, non-EU goods of any kind may be admitted regardless of their nature, quantity, and country of origin or destination.

Individuals and companies wishing to operate a customs warehouse must be established in the EU and obtain authorization from the customs authorities. Authorization may be obtained by filing a written request and by demonstrating an economic need for the warehouse.

FOREIGN DIRECT INVESTMENT STATISTICS

TABLE I
 Belgian Direct Investment Position In the U.S.
 1994 - 1997
 (Millions of Dollars)

	1994	1995	1996	1997
PETROLEUM	NA	NA	NA	1265
MANUFACTURING	2293	2828	2219	2690
WHOLESALE	322	356	482	812
RETAIL TRADE	683	730	806	882
BANKING	NA	NA	NA	NA
FINANCE	NA	77	NA	NA
INSURANCE	NA	NA	NA	NA
REAL ESTATE	60	58	57	56
SERVICES	44	13	129	122
OTHER	190	329	423	433
TOTAL	4331	4397	4838	6771

SOURCE: United States Department of Commerce, Survey of Current Business, September 1998

TABLE II
 U.S. DIRECT INVESTMENT POSITION IN BELGIUM
 1994 - 1997
 (Millions of Dollars)

	1994	1995	1996	1997
PETROLEUM	165	155	224	237
MANUFACTURING	7470	9026	8251	8788
WHOLESALE	1866	2168	2221	2102
BANKING	245	NA	280	252
FINANCE	3426	5121	4814	4066

SERVICES	1470	1934	1329	1364
OTHER	63	NA	865	594
TOTAL	14714	18706	17984	17403

SOURCE: United States Department of Commerce, Survey of Current Business, October 1998

TABLE III
FOREIGN DIRECT INVESTMENT IN THE BLEU
(Billions of BF)

1989-1998

Total foreign direct investments: 2,470
(68.1 billion U.S. dollars)

Total U.S. investments 1989-1998: 271
(7.5 billion U.S. dollars)

Principal sources of foreign investment in Belgium 1989-1998:

Netherlands:	21.9 percent
GERMANY:	17.1 percent
France:	16.0 percent
U.S.:	11.0 percent

Source: National Bank of Belgium - Direct Investment Flows in the BLEU (Belgian-Luxembourg Economic Union) - 1998

VIII. TRADE AND PROJECT FINANCING

Brief Description of Banking System

The National Bank issues the Belgian currency, acts as a state banker and intervenes as lender of last resort in credit operations. The mainspring of its monetary policy is the management of interest rates on three-month treasury bills. The Banking Commission's role includes the supervision of private institutions such as deposit banks, savings banks, finance companies, holding companies and mutual funds. However the public credit institutions fall under the authority of the Minister of Finance.

Using the banks' external assets as a yardstick, the Belgian banking sector is the fourth largest in Europe and the seventh largest globally. Belgian banks are very active in the Eurocurrency sector, as are numerous foreign banks established in Belgium, which have made such operations their principal activity.

There are three main trading banks in Belgium: the Fortis Bank (previously the General Bank), Brussels Bank Lambert and KBC (formerly the Kredietbank). Each one has a well-developed correspondent bank network in the U.S., as well as a local representative office in at least one major U.S. city. Due to few restrictions, easy tele-electronic communications, and widespread use of English, banking relationships with the U.S., as well as other countries, are smooth.

The Euro

On May 3rd 1998 Belgium was selected, along with ten other countries, to participate in the European common currency. The implementation of this new currency, the Euro, is expected to benefit American corporations. The Euro is designed to dramatically increase market transparency and will also enhance intra-European competition thereby offering U.S. corporations far clearer and significantly better business opportunities.

On January 1, 1999, the euro was officially introduced to the market. Irrevocable conversion rates between the euro and eleven participating currencies within the EMU were set on December 31, 1998. The eleven countries that are included in Euroland are Belgium, Austria, Spain, Ireland, France, Italy, the Netherlands, Portugal, Germany, Luxembourg, and Finland. The fixed rate between the euro and one Belgian Franc is 40.3399. These rates are always given in six digits and are the only official rates that exist for the member currencies. Therefore, the conversion of one national currency into another must always be carried out via the Euro.

On the day of the euro's introduction, one euro was equivalent to \$1.1789. On the financial markets, the Euro is quoted per unit against currencies that do not belong to the currency union such as the USD, the JPY and the GBP. At this time, the euro exists only in non-cash form. This will change in January 2002 when Euro notes and coins will be issued. Currently, companies and individuals can conduct their financial transactions in euros, but this is not obligatory. However, by July 1, 2002, only Euro notes and coins will be in circulation in Euroland.

According to the terms of the Treaty of Maastricht, European Common Units (ecus) have now been replaced by euros at a rate of one to one. Any reference to ecus in existing contracts will automatically become a reference to euros.

Foreign Exchange Controls Affecting Trading

There are no foreign exchange regulations or limitations on the transfer of capital or profits in Belgium, except in exceptional situations; i.e. UN sanctions against Iraq and Libya. Though Belgium has a very high public debt, 85 percent of that debt is domestically held, therefore, there are no foreign exchange problems. Moreover, the balance of payments situation is very healthy, and there are no problems related to the country's ability to maintain its extensive import program.

General Financing Availability

Belgium is a country where exports and imports amount to roughly two thirds of GDP. Consequently, the process of paying for imported goods is well

understood by banking staffs - even in the smallest regional and local branches. Generally speaking, buyers show a preference for payment by cash against documents (CAD), as this is the simplest and least costly method. However, they understand U.S. and transcontinental buyer requirements for letters of credit (L/C). This is often the form of payment for U.S. companies beginning to sell to Belgium. In cases, where Belgian importers and their U.S. suppliers have built up mutual confidence, letters of credit are superseded by time drafts and eventually by CAD terms. In rare instances, open account terms; i.e. where the importer pays after receipt of the goods, are used.

How to Finance Exports/Methods of Payment

Belgian importers are relatively small, with inadequate sources of inexpensive capital. Real rates of interest for working capital loans now run more than seven percent, and Belgian importers will ask for the most lenient credit terms possible. In addition, they are accustomed to being offered flexible payment terms, mainly from their neighboring trading partners, including France, Germany, the Netherlands, U.K., Switzerland, and (sometimes) Italy. Extended payment terms of 30, 60, 90 and even 120 days are not unusual, though the most common payments terms are net 30 days. However, Belgian businesses, like many in Europe, routinely delay payment beyond the agreed upon payment terms. In Belgium, some 43 percent of all payments are not made on time, although 80 percent of the delayed payments are made within another 30 days. In short, 91 percent of all payments by Belgian businesses are made net 60 days. Yet, this is a better record than in Italy or the U.K., and equal to that of France and the Netherlands.

Since the use of credit is consequently widespread, flexible credit terms can be important to winning sales contracts in Belgium. A U.S. firm should consider offering such terms, provided he/she is able and willing to provide such finance and provided the U.S. company has done a full credit check into the credit background of the Belgian company. Even then, it would probably be wise to try several shipments on a secured credit basis before moving to easier terms. There are several local credit agencies available, including Dun and Bradstreet.

Import duties and value added tax (VAT) are applied to the CIF (Cost Insurance Freight) value of goods. The rate of import duties is the same as that applied by all EU countries. Since products coming from other EU members enter Belgium duty free, U.S. products often start off with an average 5-6 percent price disadvantage. By offering favorable credit terms, U.S. suppliers can help their importers offset a portion of that higher price.

Counter or barter trade, mainly with Eastern European and other countries short of foreign exchange, continues to be a recognized business practice in Belgium. Considering Belgium's sophistication in international trading practices, it is well placed to develop this type of business.

Types of Available Export Financing and Insurance

The Belgian financial marketplace is private-sector oriented. There is one government-sponsored institutions for financing imports. The address is:

Office National du Ducroire
Contact: Mr. Yves Windebinckx, Director

40 Square de Meeus
B-1000 Brussels
Tel: 32/ 2/ 509-42-11
Fax: 32/ 2/ 513-50-59
Email: ducroire@ondd.be

Project Financing Available

There are no special programs for financing major projects in Belgium. Major projects are financed by commercial and investment banks.

List of Banks in Belgium with Correspondent U.S. Banking Arrangements

FORTIS BANK (formerly Generale Banque)
Montagne du Parc, 3
1000 Brussels
Tel: 32/2/565-1111
Fax: 32/2/565-4222

Board of Directors Chairman- Maurice Lippens; Vice-Chairman- Herman Verwilst

Fortis came into existence in 1990, as a result of a merger between the Dutch combination AMEV/VSB and Belgium's largest insurer AG. It is an international group that handles operations in the insurance, banking, and investment fields. Based in the Benelux market, it is one of the largest financial service providers in the area, offering many different services.

In early 1998 Fortis announced its intentions to buy all outstanding shares in the Generale Banque, which was one of the largest banks in Belgium. It was thought that the combination of the two would create the leading Benelux and European integrated financial services group. The intention was for Generale Banque to become the backbone of the extension of the Fortis Banking group, based in Belgium. As of June 29 1998 Fortis owned approximately 94 percent of the shares of Generale Banque. Along with this merger, in December of 1998, the Fortis group made another substantial financial move. The group made arrangements to buy out the remaining shares of ASLK-CGER Bank and ASLK-CGER insurance, thus making the companies 100 percent Fortis companies.

On Feb 2, 1999 the name of the group was officially changed to Fortis Bank. It has a workforce of more than 40,000, with 3,000 branches, and 7 million customers in the Benelux countries, making it one of the leading banks in the Benelux. It is also the market leader in bancassurance.

BANK BRUSSELS LAMBERT
Avenue Marnix, 24
1000 Brussels
Tel: 32/2/547-2324
Fax: 32/2/547-8305

President and CEO: Michel Tilmant

In early 1998 the ING group took over Bank Brussels Lambert, and the resulting combination is a market leader in the Benelux and ranked 12th in Europe. The main business focuses are retail banking, corporate and institutional banking, financial markets and investment banking, asset

management, and private banking. BBL also has services for insurance, leasing, factoring, and travel, through certain specialized companies. BBL has over 900 traditional bank branches and over 500 Self'Banks.

The joined forces of ING and BBL intend to further develop their activities in Europe by building on the already existing strong position in the Benelux. Then they plan to extend retail and banking services across borders to neighboring markets. After that is established, they will work to help create synergies in the main financial centers, and develop their presence in several emerging markets.

KBC

Avenue du Port, 2

1080 Brussels

Tel: 32/2/422-7111

Fax: 32/2/422-8181

Chairman of the Board of Directors of the KBC Bank: Mr. Willy Breesch , also Chairman of the Boards of Directors of the KBC Bank and Insurance Holding Company.

In January of 1998, the ABB Group, the Almanij-Kredietbank Group and the CERA Group announced their intentions to merge and form a single bank and insurance group. Legally the merger was completed on June 4, 1998. The KBC Bank and Insurance Group is an independent and pioneering enterprise, and has set for itself the objective of becoming one of the most profitable bancassurance institutions in Europe. KBC is already among the more profitable financial service groups in Europe and has been awarded 'AA' credit ratings.

The KBC workforce includes over 1500 bank agents, 500 insurance brokers, and over 8000 FIDEA brokers. It has a presence in over 30 different countries.

CREDIT COMMUNAL DE BELGIQUE S.A.

Boulevard Pacheco, 44

1000 Brussels

Tel: 32/2/222-1111

Fax: 32/2/222-4032

Gilbert Mottard, Chairman of the Board of Directors; François Narmon, Chairman of the Management Committee.

Established in 1912, this municipal credit institution created a totally new method of financing its short-term loans, the savings bond. Today, it still continues to develop and constantly improve savings bond techniques. Apart from being the number one credit institution in the savings bond area, it is a fully-fledged major bank and has developed a full activity on the money, capital and foreign exchange markets in Belgium and abroad. It has over 500 counterpart institutions throughout the world. In 1996, Credit Communal of Belgium created a joint venture company, with Credit Communal of France called Dexia. The objective of Dexia is to develop the international activities of the Belgian and French partners in the area of municipal credit financing. Dexia is now a fast growing entity, which has already bought control of Credito Communale Italiano, Italy's largest entity for financing municipal corporations.

Employs 3,834; consolidated balance sheet total: BF 2,507 billion BF (\$70 billion).

Credit Communal's consolidated balance sheet is approximately \$70 billion USD, and it has a work force of almost 4000.

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

Avenue des Arts, 35

1040 Brussels

Tel: 32/ 2/508-8211

Fax: 32/ 2/508-8334

Contacts: Herve Huas, Managing Director and Chairman of the Management Committee and Christian Jacobs, Managing Director.

Ranking as the 5th largest bank in Belgium, this is a branch of the J.P. Morgan & Co., with headquarters in New York City. The bank offers commercial and investment banking services to corporate and institutional clients. In addition to the traditional commercial banking services, it offers a variety of specialized services to international customers. Another company of the J.P. Morgan group in Belgium is Euroclear, located at Blvd. Emile Jacqmain, which is a clearinghouse for Eurobonds and internationally traded securities.

Morgan has a workforce of approximately 1200.

CITIBANK BELGIUM S.A.

Boulevard General Jacques, 263g

1050 Brussels

Tel: 32/ 2/626-5111

Fax: 32/ 2/626-0584

Contact: Vidor Toledo, Managing Director.

This is the Belgian subsidiary of Citibank NA, which has its headquarters in New York City. Citibank opened its Belgian branch in 1919 at the Grand Place. During the Second World War, this branch was closed but re-opened in 1962. As a result of local acquisitions, it now has 60 branches in Belgium. Today it is a leading international and domestic bank, which has relations with most of Belgium's largest industrial and trading companies. This bank also offers specialized services to financial institutions, insurance companies and to public sector entities.

BANK OF AMERICA

Uitbreidingstraat 180, box 6

2600 Antwerp

Tel: 32/ 3/280-4211

Fax: 32/ 3/239-6109

Contact: Willem Nijboer, Vice President/Regional Manager.

This is the Belgian branch of Bank of America N.T. & S.A., with headquarters in San Francisco. This Belgian branch was established in 1965. It provides a full range of commercial banking services and has a branch office in Brussels located at Van Nieuwenhuislaan, 6, 1160 Brussels, Tel: 02/663-2100, Fax: 02/663-2150, Richard Challinor is the Director.

CHASE MANHATTAN BANK

Avenue Louise 326, Box 51

1050 Brussels, Belgium

Tel: 32/2/629-5811

Fax: 32/2/629-5850
Contact: Mrs. Regnarm Tel: 629.58.23
Mr. Benoit Struye de Swienlande, General Manager.

EUROCLEAR OPERATIONS CENTER
(A unit of Morgan Guaranty Trust)
Blvd Emile Jacqmain 151
1210 Brussels, Belgium
Tel: 32/2/224-1211
Fax: 32/2/224-7449
Contact: Mr. Luc Bosmans, Managing Director and General Manager

IX. BUSINESS TRAVEL

Business Customs

Business Hours

Government offices are open Monday through Friday from 8:30 am - 12 pm and from 2 pm - 4:30 pm. Banks are open Monday through Friday from 9 am - 12 pm and from 2 pm - 4:00 pm. Private companies are generally open from 8:30 am - 4 pm while shops and stores open at 9 am and close at 6 pm.

Languages

Belgium has three national languages: Dutch (sometimes referred to as Flemish), French, and German. English is also frequently understood throughout Belgium. In Flanders, the northern region of Belgium, Dutch is the predominant language. While in Wallonia, the southern region, most people speak French. Residents in a small section of Belgium near Germany speak German as their primary language. Brussels, the center region, is officially bilingual, speaking both Dutch and French.

As in any other country, language is a crucial part of doing business in Belgium. Many documents must be filed in at least one of the three national languages. It would benefit companies to have personnel who speak one of the languages, or to seek the help of a professional translator.

Travel Regulations

Provided that their stay does not exceed three months, nationals of the following countries do not require a visa: Western Europe, East European countries, North America, Central and Latin America (with the exception of Columbia, Bolivia, Peru, Guinea, Surinam and Guinea-Bissau), Japan, Australia, New Zealand, Singapore, Republic of Korea, Hong Kong, Brunei and a number of African countries except for Burkina Faso, Niger, Togo and Ivory Coast. Visitors of these countries must, however, be in possession of a valid national passport.

Travel Advisory and Visas

Visas are not required for U.S. citizens traveling in Belgium for less than 90 days. Because of Belgium's persistent unemployment rate (10 percent) resident visas are difficult to obtain for non-EU citizens. To obtain a

residence visa, it is necessary to have a working permit, which in turn is difficult to obtain. Working permits are limited to managerial positions in foreign owned companies and for people with special skills not available in Belgium. It usually takes eight to twelve months to obtain a working permit and 18 months to obtain a professional card. Specialized lawyers situated in Belgium can assist in the process. Americans looking for jobs in Belgium are almost never issued working permits.

Belgium remains a relatively safe country and anti-American sentiment is rare. By taking reasonable precautions, visitors should enjoy a peaceful stay. However, street thefts, purse snatching and pick pocketing are occurring more frequently. The emergency numbers for the police and medical assistance are 101 and 100 respectively and for cellular phones (locally) 112. Visitors to Belgium requiring additional information should contact the Brussels Regional Security Office 32/2/508-2370.

Currency and Credit Cards

The Belgian franc is the local currency. Most hotels and restaurants take credit and charge cards (American Express, Eurocard/MasterCard, Diners Club, Visa etc.).

Voltage:

220/380 volts AC 50 three-phase current

Belgian Holidays - 2000:

January 1	New Year
April 24	Easter Monday
May 1	Belgian Labor Day
June 1	Ascension Day
June 11	Whit Monday
July 21	Belgian Independence Day
August 15	Assumption Day
November 1	All Saints Day
November 11	Veterans Day
December 25	Christmas

Business Infrastructure

Public transportation is readily available and Belgium has excellent communications links with the rest of the world. Belgium is also home to an extraordinary rich media offering the broadest selection of television channels in Europe. TV viewers currently have access to programs broadcast from 7 different countries in Dutch, English, French, German, Spanish, and Italian. CNN is also available on cable. The country is blessed with an

intense and varied cultural life and is highly regarded for its acceptance of foreign goods and persons, and its overall life style and family-oriented values system. For further information contact the Belgian Tourist Office, rue Marché aux Herbes 61, B-1000 Brussels. Tel: 32/2/504-02-00 Fax: 32/2/513-88-02 or consult the following websites: <http://www.belganews.be/belganews>; <http://belgium.fgov>.

APPENDIX A.

COUNTRY DATA:

Population:	10.2 million
Population Growth Rate:	0.39 percent
Religions:	Roman Catholic (75 percent) Agnostic/Atheist (23 percent) Other (2 percent)
Government System:	Constitutional monarchy with Parliament
Head of State:	King Albert II
Head of Gov.:	Prime Minister Guy Verhofstadt
Next elections scheduled for	2003
Languages: By regions:	Flanders (Dutch speaking) Wallonia (French speaking) Brussels (Bilingual)
Languages: By Percent of Population:	Dutch (57.9 percent) French (32.0 percent) German (0.7 percent)
Work Week:	Monday through Friday, 37.5 hours.

APPENDIX B:

DOMESTIC ECONOMY

	1997	1998	1999 (e)
GDP (billions of dollars)	242.4	247.6	6266
Real GDP Growth Rate (percent)	2.9	2.8	2.5

GDP per Capita (dollars)	23811	24274	25576
Gov. Spending(percent of GNP)	49.2	48.7	48
Inflation (percent change)	1.6	1.2	2.0
Unemployment (percent)	9.2	8.5	8.3
Foreign Exchange Reserves (billions of dollars)	22.9	na	na
Average annual exchange Rate (in BF per U.S. dollar)	35.78	36.45	37.13
Debt Service Ratio	Not available		
Foreign debt (billions of dollars)	21.92	21.45	na
Unit Labor Costs (percent change)	0.1	0.2	na
Labor Productivity Rate	2.4	2.4	na

Sources: National Bank of Belgium; Finance Ministry; Bureau du Plan.

APPENDIX C:

TRADE

	1995	1996	1997	1998
Total exports (f.o.b., \$ billions)	170.8	172.7	168.2	173.3
Total imports (C.I.F., \$ billions)	156.6	161.3	155.8	160.7
U.S. exports (f.a.s., \$ billions)	8.5	9.4	10.8	11.2
U.S. imports (customs, \$ billions)	6.3	7.0	7.7	7.1

Source for data is statistics for the Belgium-Luxembourg Economic Union (BLEU).

U.S. export figures are based on U.S. Department of Commerce census data, which include goods destined for Luxembourg as well as in transit trade and

re-exports to other European countries. Approximately 50 percent of U.S. exports to Belgium are transported to a third country final destination.

Main U.S. exports to Belgium: machinery; tobacco & tobacco products, including cigars & cigarettes; organic chemicals; plastics; precious stones and metals; vehicles, automotive parts & accessories; medical instruments; computer hardware & software; chemicals.

Main U.S. imports from Belgium: Precious stones and metals; machinery; cars & other vehicles; organic chemicals; iron and steel; pharmaceutical products; petroleum; plastics; electrical.

APPENDIX D: ADDITIONAL INVESTMENT STATISTICS

FOREIGN OWNERSHIP RESTRICTIONS: None

TOTAL U.S. INVESTMENT: \$17.7 billion

HISTORICAL U.S. SHARE OF
FOREIGN INVESTMENT: 13 percent

PRINCIPAL FOREIGN INVESTORS
(1989-1998):

Netherlands	21.9 percent
Germany	17.1 percent
France	16.0 percent
United States	11.0 percent

TOTAL U.S. INVESTMENTS 1989-1998: \$7.5 billion

BELGIAN INVESTMENT IN
THE UNITED STATES: \$3.9 billion
 (Year-end 1996)

APPENDIX E U.S. AND COUNTRY CONTACTS:

U.S. Embassy Trade Related Contacts

U.S. and Foreign Commercial Service Personnel:

FCS/EMB PSC 82 Box 002
APO AE 09710
Tel: 32/ 2/ 508-24-25
Fax: 32/ 2/ 512-66-53

Mr. George Knowles (U.S.) - Commercial Counselor
Mr. Reginald Miller (U.S.) - Commercial Attaché

Economic Section:

Mr. Eric Benjaminson
Economic Counselor
EMB PSC 82 Box 002
APO AE 09710
Tel: 32/ 2/ 508-24-48
Fax: 32/ 2/ 513-87-61

Foreign Agricultural Service:

Mr. Philip Letart
Agriculture Counselor
Located at the U.S. Embassy in The Netherlands
FAS/EMB PSC 71, Box 1000
APO AE 09715
Tel: 31/ 70/ 310-92-09
Fax: 31/ 70/ 361-46-88
(Note: The Agricultural Counselor in The Hague has regional responsibility for Belgium and Luxembourg.)

Other U.S. Government contact point:

Mr. Paul Dacher
Desk Officer
U.S. Department of Commerce
Washington D.C. 20230
Tel: 202/ 482-6008
Fax: 202/ 482-2897

American Chambers of Commerce:

Ms. Jo Ann Broger
General Manager
American Chamber of Commerce in Belgium
Avenue des Arts, 50, Box 5
1000 Brussels
Tel: 32/ 2/ 513-67-70
Fax: 32/ 2/ 513-35-90

Visit USA Tourist Information Center

Mr. Birgit Lambrechts, Office Manager
Mr. Peter Mathieu, President, Visit USA Steering Committee
203 Boulevard Général Jacques
1050 Brussels, Belgium
Tel: 32/ 2/ 648-43-42
Fax: 32/ 2/ 648-40-22
Website: www.visitusa.org
The Visit USA Tourist Information Center promotes tourism to the United States.

Belgian Trade and Industry Associations:

Brussels Chamber of Commerce

Avenue Louise, 500
1050 Brussels
Mr. D'Hondt
General Director
Tel: 32/ 2/ 648-50-02
Fax: 32/ 2/ 640-93-28

F.E.B. (Federation of Belgian Enterprises)
Rue Ravenstein, 4
1000 Brussels
Tel: 32/ 2/ 515-08-11
Fax: 32/ 2/ 515-09-99
Gui de Vaucleroy, President; Tony Vandeputte, Managing Director

The Belgian business federation is a nationwide organization of employers. It is composed not of individual companies, but of industrial and trade federations. This is Belgium's biggest association and represents all employer groups in negotiations with labor unions and the government.

FABRIMETAL (Federation of Metalworking Industries)
Diamant Building
A. Reyerslaan 80
1030 Brussels
Tel: 32/ 2/ 706-78-00
Fax: 32/ 2/ 706-78-01
Philippe de Buck van Overstraeten, Managing Director and General Manager

This is the largest of the specialized federations and is made up of firms engaged in all phases of the following sectors: metal working, plastic conversion, measuring, analysis and regulating instrumentation, electronics and electrical, aeronautical, telecommunications and data processing.

FECHIMIE (Federation of Chemical Industries)
Square Marie Louise, 49
1000 Brussels
Tel: 32/ 2/ 238-97-11
Fax: 32/ 2/ 231-13-01
Jacques Van Bost, President

This federation includes firms in all fields relating to chemicals, including petrochemicals, drugs, fertilizers, rubber, toiletries, plastics, etc.

FEDERATION PETROLIERE BELGE
Rue de la Science,
1040 Brussels
Tel: 32/ 2/ 512-30-03
Fax: 32/ 2/ 511-05-91

This federation groups all bulk oil importers, distributors and manufacturers of petroleum products and derivatives.

FEBELTEX (Federation of Textile Industries)
Rue Montoyer, 24, 1000 Brussels
Tel: 32/ 2/ 287-08-11
Fax: 32/ 2/ 230-65-85
Jean Francois Quix, Director

This federation includes the full range of the Belgian textile industry including synthetics, carpets, cotton and wool.

VLAAMS EKONOMISCH VERBOND (V.E.V. - Flemish Economic Union)

Brouwersvliet, 5, Box 4

2000 Antwerp

Tel: 32/ 3/ 202-44-00

Fax: 32/ 3/ 233-76-60

V.E.V. is the representative employers federation covering the Flemish part of Belgium. It is independent of the F.E.B., but cooperates with it since their activities are parallel. It acts as spokesman for its members' interests with the Flemish regional authority and tries to stimulate the Flemish economy by a wide range of different initiatives.

UNION WALLONNE DES ENTERPRISES (Wallonian Enterprise Association)

Chemin du Stocquoy, 1-3

1300 Wavre

Tel: 32/ 10/ 45-11-41

Fax: 32/ 10/ 45-33-43

Jean Stephenne, President

Mr. Xavier Desclee, Managing Director

This is the equivalent of the V.E.V. for Wallonia.

Belgian Government Offices:

Mr. Raoul Delcorde

Minister Counselor for Economic Affairs

Belgian Embassy

3330 Garfield Street, NW

Washington D.C. 20008

Tel: 202/ 333-6900

Fax: 202/ 625-7567

Mr. Everarts de Velp, Commercial Attaché Walloon Region or

Mr. Alain Decraene, Economic Representative of Flanders

3330 Garfield Street, NW

Washington D.C. 20008

Tel: 202/ 333-6900

Fax: 202/ 625-7567

Mr. Pierre Nibioulle, Conseiller adjoint

Ms. Sandrine Wuiot, Conseiller adjoint

Mr. Yves Jasselette, Conseiller adjoint

Mr. Wilfried Clerens, Adjunct-adviseur

U.S.A. Department

Belgian Foreign Trade Office

W.T.C. Tower 1, Box 36

Boulevard Emile Jacqmain, 162

1000 Brussels

Tel: 32/ 2/ 206-38-08

Fax: 32/ 2/ 203-18-12

Belgian Customs and Excise Tax Service

R.A.C. Financietoren, 50

1010 Brussels
Tel: 32/ 2/ 210-30-11
Fax: 32/ 2/ 210-33-26
32/ 2/ 210-32-47

Regional Governments:

Ministry of the Walloon Region
Rue Mazy, 25-26
5100 Jambes
Tel: 32/ 81/ 33-12-11
Fax: 32/ 81/ 33-12-99

Ministry of the Brussels Region
Rue Ducale, 7-9
1000 Brussels
Tel: 32/ 2/ 506-32-11
Fax: 32/ 2/ 514-40-22

Ministry of the Flemish Region
Martelaarsplein 19
1000 Brussels
Tel: 32/ 2/ 227-29-11
Fax: 32/ 2/ 227-29-05

Foreign Investment Offices:

Ministry of Economic Affairs
Foreign Investors Service,
G. Lemanstraat 60
1040 Brussels, Belgium
Tel: 32/ 2/ 206-58-63
Fax: 32/ 2/ 514-03-89

Ministry of Wallonia
Office for Foreign Investments
Place de la Wallonie, 1, Bldg. 2
5000 Namur
Tel: 32/ 81/ 33-37-93
Fax: 32/ 81/ 30-64-00

FFIOC - Flanders Foreign Investment Office
Leuvenseplein 4
1000 Brussels
Tel: 32/ 2/ 227-53-11
Fax: 32/ 2/ 227-53-10

Office for Foreign Investment (Brussels Region)
Rue du Champ de Mars, 25
1050 Brussels
Tel: 32/ 2/ 513-97-00
Fax: 32/ 2/ 511-52-55

American State Offices in Belgium:

ARKANSAS

Rue St. Georges 22-24, box 1
1050 Brussels, Belgium
Tel: 32/ 2/ 649-60-24
Fax: 32/ 2/ 649-48-07
Man. Dir.: Ms. Sybille Magee
Office Man.: Ms. Alice Frijns

GEORGIA

Department of Industry & Trade
Avenue Louise 475, box 11
1050 Brussels, Belgium
Tel: 32/ 2/ 647-78-25
Fax: 32/ 2/ 640-68-13
Man. Dir.: Mr. James Blair
Deputy Director: Mr. Ryan Thornton
Trade Rep.: Ms. Lisa Boxy

ILLINOIS

European Office
Blvd. de la Cambre 28-30, Box 2
1000 Brussels, Belgium
Tel: 32/ 2/ 646-57-30
Fax: 32/ 2/ 646-55-11
Man. Dir.: Mr. Bart A. Smit
Deputy Man. Dir.: Ms. Sharon L. Stead
Office Manager: Ms. Gibon

KANSAS

European Office
Avenue des Arts 41, Box 1
1040 Brussels, Belgium
Tel: 32/ 2/ 505-09-98
Fax: 32/ 2/ 505-09-96
Dir.: Mr. Randy Miller

KENTUCKY

149 Avenue Louise, Box 24
1050 Brussels, Belgium
Tel: 32/ 2/ 535-76-42
Fax: 32/ 2/ 535-75-75
Dir. Europe: Mr. Stephen C. Schulte

OHIO

Rue de la Pépinière 1
1000 Brussels, Belgium
Tel: 32/ 2/ 512-86-87
Fax: 32/ 2/ 512-66-14
Email: ohio.Europe@euronet.be
Managing Director: Mr. Paul Zito
Asst. Dir.: Ms Kerry Lydon

OKLAHOMA

Lambermonstraat, 7

B-2000 Antwerp, Belgium
Tel: 32/ 3/ 240-17-71
Fax: 32/ 3/ 240-17-0
Director: Mr. Frank Roovers
Trade Representative: Mr. Erik Roovers

Market research firms:

A.C.T.E.
Hippocrateslaan 10, bus 1
1932 Sint-Stevens-Woluwe
Tel: 32/ 2/ 720-50-08
Fax: 32/ 2/ 720-14-14
Frans Lust

AMERICAN/EUROPEAN LINKS
Potaardestraat 5
1860 Meise
Tel: 32/ 2/ 270-03-03
Fax: 32/ 2/ 270-04-04
Sherry B. Petzold, Director

DECITIME S.A.
Chaussée de Charleroi 96
1060 Brussels
TEL: 32/ 2/ 534-66-86
Fax: 32/ 2/ 534-66-98
Evelyn Gessler, Managing Director

DILLES, SYLVIE
Rue Joseph Hazard 6
1180 Brussels
Tel: 32/ 2/ 347-04-36
Fax: 32/ 2/ 346-14-40

DUN & BRADSTREET - EURINFORM S.A.
Avenue des Pléiades 73
1200 Brussels
Tel: 32/ 2/ 778-72-11
Fax: 32/ 2/ 778-72-72
Rolv Eide, Executive VP and Managing Director Benelux;
Mr. De Backer, Finance and Administration Manager
Mr. Van Leuven, Marketing Director

E.C. TECHNICS
Avenue de GUI 27
1180 Brussels
Tel: 32/ 2/374-57-07
& 374-54-15
Fax: 32/ 2/ 375-70-08
Adhered Christians, Manager

EUROPEAN COMMUNICATIONS GROUP (BELGIUM)
Place Albert Leemans 6
1050 Brussels
Tel: 32/ 2/ 538-21-82
Fax: 32/ 2/ 538-41-24

Richard Liss, Director (International)

EUROPEAN MARKETING RESEARCH CENTER

Avenue Louise, 287 Bte 6
1050 Brussels, Belgium
Tel: 32/ 2/ 646-53-40
Fax: 32/ 2/ 640-69-45
Pierre Mathijsen, President
Edith Miller, Vice President

GRAPHICS MICROSYSTEMS NV

Vuurberg 18
1831 Diegem
Tel: 32/ 2/ 725-61-45
Fax: 32/ 2/ 725-60-57
D.Vervliet, Office Manager

IMACONSULT INT. MANAGEMENT CONSULTANTS S.A.

Rue Armand Camenhout 63
1050 Brussels
Tel: 32/ 2/ 537-29-00
& 075/62-47-00
Fax: 32/ 2/ 537-59-38
Gunnar Beeth, President

I.R.B.EUROPE

Boulevard A. Reyers, 108
1030 Brussels, Belgium
Tel: 32/ 2/ 733-2650
Fax: 32/ 2/ 733-2991
Peter Willis, Managing Director

KEYSTONE NETWORK

Jan Van Elewijckstraat 107A
1853 Strombeek-Bever
Tel: 32/ 2/ 267-99-15
Fax: 32/ 2/ 267-21-95
R. Verlinden, Managing Director

MANAGEMENT NETWORKING SYSTEMS ASSOCIATES S.A.

Perckhoevelaan 20
2610 Antwerp
Tel: 32/ 3/ 830-27-96
Fax: 32/ 3/ 828-41-94

McCANN ERICKSON CO. S.A.

Chaussee de la Hulpe 122
1000 Brussels
Tel: 32/ 2/ 674-13-11
Fax: 32/ 2/ 660-81-80
Allan Ganvandenayn, Managing Director

NIELSEN CO. (BELGIUM) S.A., AC

Avenue des Pléiades 73
1200 Brussels
Tel: 32/ 2/ 778-70-11
Fax: 32/ 2/ 778-70-78

Siegfried De Smedt, Senior Vice President, Belgium, Netherlands and France

NOP RESEARCH GROUP-STRATEQ BELGIUM B.V.B.A.

Avenue E. Plasky, 8 Bte. 12

1030 Brussels

Tel: 32/ 2/ 734-65-64

Fax: 32/ 2/ 736-91-84

Roy A. Cohen, Managing Director

POWER SYSTEMS RESEARCH S.P.R.L.

Rue de la Vallee, 4

1050 Brussels

Tel: 32/ 2/ 644-18-28

Fax: 32/ 2/ 644-30-09

Dannis R. Huibregtse, Managing Director European Operations

RESEARCH INTERNATIONAL WORLD SERVICE

25 Louis Dehoux

1160 Brussels

Tel: 32/ 2/ 663-18-11

Fax: 32/ 2/ 663-70-73

Mr. Yves Robett, Account Manager

Mr. Michael Roe, General Director

VENTUS S.A.

Avenue Louise, 226, Box 7

1050 Brussels

Tel: 32/ 2/ 647-75-05

Fax: 32/ 2/ 648-96-04

James P. Gallo, President

WARREN STAUDT ASSOCIATES S.P.R.L.

Dreve de la Meute, 2

1410 Waterloo

Tel: 32/ 2/ 354-25-11

Fax: 32/ 2/ 353-08-65

Warren E. Staudt, Manager

WERNER INTERNATIONAL

Woluwelaan, 140 B1

1831 Diegem

Tel: 32/ 2/ 725-94-40

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Henry Rysermans, Managing Director

Country Commercial Banks:

See Chapter VIII "Trade and Project Financing", Section "List of Banks with Correspondent U.S. Banking Arrangements".

APPENDIX F.

MARKET RESEARCH

The following Industry Subsector Analyses (ISA) are available on the National Trade Data Bank (NTDB):

Aerospace Defense
Air Pollution Control Equipment and Instrumentation
Air Traffic Control Equipment
Airport Expansion
Business Applications Software
Combined Cycle Electricity Generating Systems
Computer Networking
Costume Jewelry
Electromedical Equipment
Energy Instrumentation Devices for the Power Sector
Franchising in the Service Sector
Generating Systems
Home Healthcare Equipment
Industrial Filters
Industrial Textiles
Internet Services
Internetworking Products and Services
Medical Equipment
Nuclear Power Generation
Renewable Energy Sources
Seafood
Security Equipment
Selling to Telecom Operating Companies
Solid Waste Recycling Equipment
Travel and Tourism Services

Industry Subsector analyses planned for the remainder of 1999 and through 2000 include:

Wind Power	Due: Aug 99
Automotive Garage Equipment	Due: Sept 99
Publishing Services	Due: Feb 00
Water Pollution	Due: Feb 00
Energy Efficient Technologies	Due: Mar 00
Military Aviation Procurement	Due: Apr 00
Drugs/ Pharmaceuticals	Due: Jul 00
Value-Added Telecom Services	Due: Jul 00
Franchising in the Retail Sector	Due: Aug 00
Automotive Accessories	Due: Sep 00

Other ongoing market research includes: quarterly major project listings; update on "Guide for Doing Business in the Newly Liberalized European Telecommunications Market," Belgian portion. A complete list of market research is available on the NTDB.

SCHEDULED REPORTS FOR 1999 IN THE AGRICULTURAL AREA INCLUDE:

Report	Type
1. Agricultural Situation Report	Annual
2. Fresh Deciduous Fruit	Semi-annual/ Annual
3. Tobacco	Annual
4. Forest Products	Annual
5. Marketing Plan for High Value Foods	Annual
6. Oilseeds and Products	Annual
7. Livestock	Annual
8. Dairy	Annual

NOTE: Reports from U.S. agricultural attaches overseas, Foreign Agricultural Service (FAS) publication summaries, U.S. export data and trade leads for agricultural food, fish and forestry products are available on the internet.

FAS Brussels' web page is found at: <http://www.fas.usda.gov>
 USDA's web page is: <http://www.usda.gov>

Export Counseling:

The Trade Assistance and Promotion Office (TAPO) Tel: 202-720-7420; Fax: 202-205-9728, offers information to the public on foreign markets for agriculture products, and help in accessing government programs. TAPO can provide country- and commodity-specific Foreign Market Information Reports. It also provides information on services, such as:

Trade Leads: Tel: 202-690-3416

Foreign Buyer Lists Tel: 202-690-3416

Buyer Alert Programs, Tel: 202-690-3421
 and US Suppliers

APPENDIX G.

TRADE EVENT SCHEDULE:

Explanation of acronyms:

CS Catalog Show
 FAS Foreign Agricultural Service
 FCS Foreign Commercial Service
 IBP International Buyer Program
 PIP Post Initiated Event
 SCE Showcase Europe
 TFO Trade Fair Overseas-organized
 TFW Trade Fair Washington Recruited

1999 EVENTS:

DATE	TITLE	TYPE	AGENCY	SECTOR
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Sep 5-8	DECOSIT	TFW	FCS	Upholstery
Sep 9-11	ESTETIKA		IFAS	Cosmetics
Sep 19-21	Jedifa	RC	FCS	Jewelry
Oct 10-17	World Telecom 99 (Geneva)	SCE (I)		Telecom
Oct 13-18	Equipauto (Paris)	SCE (I)		Auto Equip
Nov 7-10	International Fair of Furniture			Furniture & Accessories
Nov	CASE Trade Day (Lux)			
Nov 23-25	BTF (Brussels Travel Fair) Travel/Tourism		SCE	FCS

2000 EVENTS:

DATE	TITLE	TYPE	AGENCY	SECTOR
Feb 6-9	ISPO (Munich)			Sporting Goods
Feb 24- Mar 5	BATIBOUW		BATIBOUW	Building
Feb 27- Mar 4	Commercial Real Estate financing			RealEstate/ Finance
Mar 9	Visit USA Workshop	SCE (II)	FCS	Travel/ Tourism
Mar 16-20	Holiday Show	SCE	FCS	Travel/ Tourism
Apr 2-5	Autotechnica	BIO	FCS	Auto Equip
Apr 12-14	Medtrade (Lux)	CS-BIO	FCS	Medical Equip
May 9-11	European Seafood Expo			Seafood
May 23-26	INSTRURAMA		UDIAS	Medical Equip
Jun 6-8	TMAB	BIO	FCS	Telecom
Aug 6-9	ISPO (Munich)			Sporting Goods
Sep 10-13	DECOSIT	TFW		Upholstery

Oct 24-27	IFEST	Flanders Expo	Environ. Tech
Nov 25-27	BEST	ASBL	Environ Tech

Because trade event schedules may change, please consult the export promotion calendar on the NTDB or contact the Embassy in Brussels for the latest information